

BEFORE THE POULSBO CITY COUNCIL

IN THE MATTER OF THE OLHAVA)	
MASTER PLAN - APPEALS OF FEIS)	CITY FILE NO. MP 96-01
ADEQUACY BY THE SUQUAMISH TRIBE,)	
WINMAR COMPANY, INC, AND GROW)	FINDINGS, CONCLUSIONS, AND
SMART!, AND MASTER PLAN)	DECISION
DETERMINATION)	

I. FINDINGS

A. PROCEDURAL FINDINGS

1. On October 2, 1995, the City received an application for approval of a master plan for the property commonly known as the Olhava property. The applicant was Olhava Associates, L.P.

2. A Mitigated Determination of Non-Significance (MDNS) was issued on the original application on December 20, 1995. The MDNS was appealed by the Suquamish Tribe and an adjacent property owner.

3. Pursuant to Poulsbo Municipal Code (PMC) 16.04.250, the Poulsbo City Council heard the appeals. On March 20, 1996, the City Council overturned the MDNS and determined that an environmental impact statement should be prepared on the following environmental issues: traffic, storm water runoff, wildlife, police protection, fire protection, noise and light, and sewer capacity.

4. Subsequent to the Council's decision on the MDNS appeal, the October 2, 1995 application was withdrawn. A new and modified application was submitted on April 3, 1996.

5. The April 3, 1996 application was determined to be complete and a notice of application was issued on May 10, 1996.

6. On April 24, 1996, a Determination of Significance was issued for the resubmitted application. The notice of the DS included two scoping meetings, which were held as scheduled

on May 7 and May 21, 1996. In addition, the City accepted written comments on scoping at the City Planning Department until May 28, 1996.

7. Based upon a review and consideration of public comments received during the scoping process, the City's SEPA Responsible Official added the following issues to the scope of the environmental impact statement: ground water movement/quantity/quality, commercial land need/economic analysis, water supply, air quality, and land use/aesthetics.

8. A Draft Environmental Impact Statement (DEIS) was issued on January 28, 1997. The DEIS consisted of a 134 page document, together with two volumes of technical appendices. The comment period was originally scheduled to end on February 27, 1997, but was extended to March 14, 1997 at the request of the State Department of Transportation.

9. The City received 94 comments on the DEIS from agencies, the Suquamish Tribe, and members of the public. The Final Environmental Impact Statement (FEIS) was issued on May 27, 1997. A complete set of comment letters and responses was issued as Appendices A and B to the FEIS.

10. On June 6, 1997, the City received three appeals concerning the adequacy of the FEIS:

- a) A letter from Randy Hatch, Fisheries Director of the Suquamish Tribe;
- b) A letter from Donald E. Marcy of Cairncross & Hemplemann, attorneys for Winmar Company, Inc.; and
- c) A letter from CarolAnn Stockton and Brad Walker, President and Vice President of Grow Smart!

Each letter was accompanied by a check for \$300.00, representing the appeal and consultant deposit fee required by City ordinance.

11. The Poulsbo Planning Commission held two public meetings (not public hearings) on the Master Plan application on March 24 and March 31, 1997. As the result of the meeting, on June 3, 1997 the Planning Commission recommended approval of the Master Plan application, subject to conditions.

12. On June 23, 1997, the City Planning Department mailed a notice of public hearing on the Master Plan and SEPA Appeals to (a) the applicant and the applicant's representative, (b) owners of property within 300 feet of the Olhava property, (c) agencies with jurisdiction, (d) the SEPA appellants, Grow Smart!, the Suquamish Tribe, and Winmar Company, Inc., and (e) any other people that the Planning Department determined were affected by the proposal or who had requested notice of the hearing in writing.

13. On June 21, 1997, notice of the hearing was published in the City's Official Newspaper, *The Kitsap Herald*.

FINDINGS, CONCLUSIONS & DECISION - 2

1 14. On June 23, 1997, notice of the hearing was posted on the Olhava property.

2 15. All notices set the public hearing on the Master Plan application and the SEPA
3 Appeals for July 8, 1997 at 7:00 p.m. at Vinland Elementary School in the City of Poulsbo,
4 Washington.

5 16. On July 8, 1997, the public hearing on the Master Plan application and the SEPA
6 appeals was commenced. Thereafter, the hearing was continued from time to time until public
7 testimony was completed on March 25, 1998.

8 17. Prior to the commencement of the hearing, four appearance of fairness challenges
9 were raised: Mayor Mitchusson and Council members Winters and Rudolph were challenged
10 by Grow Smart! and Council member Munroe was challenged by Olhava Associates. Mayor
11 Mitchusson stepped down prior to commencement of the hearing and Council member Winters
12 stepped down after making disclosures. Council members Munroe and Rudolph decided not to
13 step down. No challenges were raised concerning Council members Diehl, McGinty, Bruce,
14 or Walgren (Aitchison after her marriage during the pendency of this matter). The hearing
15 commenced with Council members Bruce, Aitchison, McGinty, Diehl, Munroe, and Rudolph.

16 18. The hearing was conducted as a single simultaneous hearing on the SEPA appeals
17 as to the adequacy of the FEIS and on the Master Plan application. Within this single
18 simultaneous hearing, however, the City Council took all testimony concerning the SEPA
19 Appeals first and then took testimony on the Master Plan application.

20 19. All testimony taken on the SEPA appeals as to adequacy of the FEIS was taken
21 under oath. Testimony on the Master Plan application was not required to be under oath. An
22 audiotape was kept of all proceedings, including deliberations of the City Council.

23 20. In all, the City Council took testimony on the SEPA Appeals and the Master Plan
24 at 28 meetings lasting between one and three hours. A total of 215 exhibits and over 70 hours
25 of testimony were presented and considered.

26 21. Effective January 1, 1998, Council members Diehl and Winters were replaced by
Council members Lord and Stern, who were elected in November, 1997. After appearance of
fairness disclosures, no challenges were raised concerning Council members Lord and Stern.
Council members Lord and Stern were present at many of the hearing dates prior to their
election and had listened to audiotapes and viewed exhibits from those proceedings they were
unable to attend.

22 After completing the public testimony on March 25, 1998, the City Council
23 deliberated on March 26 and April 2, 1998. On March 26, 1998, the City Council determined
24 that the FEIS was adequate. On April 2, 1998, the Council determined to approve the Master
25 Plan, subject to conditions.

**B. GENERAL FINDINGS REGARDING THE OLHAVA PROPERTY AND
MASTER PLAN PROPOSAL**

23. The Olhava property is located in the northwest corner of the City and is separated into two parcels by State Highway 3. The parcels are legally described as follows:

Northern Parcel: 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-D09328.

Southern Parcel: 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 northeast of Finn Hill County Road.

24. The Olhava property is approximately 215 acres in size. The northern parcel consists of approximately 174 acres. The southern parcel consists of approximately 41 acres.

25. The property is largely unimproved. A decommissioned former U.S. Army Nike site, located in the southwest corner of the north parcel, consists of several small outbuildings, some paved roads, and several reinforced concrete structures within 21 acres. The remainder of the site has been logged within the past 5 years and the remaining trees are predominantly mixed-evergreen.

26. The Olhava property was annexed to the City of Poulsbo by Ordinance 94-04, passed by the City Council on January 12, 1994 and effective April 6, 1994. Unincorporated Kitsap County abuts the Olhava property on the north, east, and west, and the remainder of the City abuts the Olhava property on the south.

27. The City's Comprehensive Plan, which was adopted by Ordinance 94-14, passed by the City Council on June 13, 1994 and effective June 27, 1994, designates the entire property as subject to a Master Plan Overlay, requiring the approval of a master plan prior to any development. The Comprehensive Plan also establishes the following land use designations for the property:

<u>Designation</u>	<u>Acreage</u>	<u>Location</u>
Commercial	83	Central and southern portions of northern parcel
Business Park	40	North-central portion of northern parcel
Public Schools	20	Northwest corner of northern parcel

Medium Density
Residential

43

Along the western and
northern borders of the
northern parcel and in the
northern half of the southern
parcel

Low Density
Residential

29

Along the eastern border of
the northern parcel and in the
southern half of the southern
parcel

28. The Comprehensive Plan designations of properties surrounding the Olhava property are as follows:

North: Rural-Medium under Kitsap County's Comprehensive Plan

South: Low Density Residential under City's Comprehensive Plan

East: Urban Low Density Residential, Urban Medium Density Residential,
Light Industrial under Kitsap County's Comprehensive Plan

West: Highway Commercial, Light Industrial, Urban Low Density Residential
under Kitsap County's Comprehensive Plan

29. The most recent zoning established for the Olhava property was adopted as part of Poulsbo Ordinance 94-25, passed by the City Council on December 28, 1994 and effective January 9, 1995. Under this ordinance, the Olhava property carries a Master Plan Overlay designation and is divided between the following zoning districts which correspond to the locations of the Comprehensive Plan designations: Commercial (C), Business Park (BP), Public Schools (PS), Medium Density Residential (R-M), and Low Density Residential (R-L).

30. Existing uses in the vicinity of the site are: to the north, vacant and large lot residential; to the south, single family residential; to the east, Highway 3/305 interchange, vacant, large lot residential and Viking Avenue; and to the west, vacant and large lot rural residential.

31. The Master Plan proposes development of a maximum of 70 single family dwelling units on the portion zoned R-L, a maximum of 420 multiple family dwelling units on the portion zoned R-M, a maximum of 840,000 square feet of commercial floor space on the portion zoned C, a maximum of 350,000 square feet of business park floor space on the portion zoned BP, and a branch campus of Olympic Community College on the portion zoned PS.

1 32. The Master Plan proposes development in seven phases over an anticipated
2 buildout period of ten years. The seven phases, referred to as Phases "a" - "g", are generally
3 described as follows:

- 4 A. Phase "a" consists of a frontage road extending northward from N.W. Finn Hill
5 Road south of the northern parcel to the proposed Olympic College site in the
6 northwest corner of the northern parcel, utility construction, commencement of
7 general site preparation for Phase "b," completion of any necessary remediation
8 work for the Nike site, and possible modification of the SR 3/SR 305 interchange.
- 9 B. Phase "b" consists of commencement of the first phase of building construction
10 on the Olympic College site, completion of interchange modifications,
11 construction of 20% of the northern parcel's commercial floor space
12 (approximately 94,000 square feet), construction of 100% of the southern parcel's
13 medium density dwelling units (approximately 160), construction of 50% of the
14 southern parcel's low density residential dwelling units (approximately 35),
15 commencement of general site preparation for Phase "c," and certain utility, park
16 and road construction.
- 17 C. Phase "c" consists of construction of the remaining 50% of the southern parcel's
18 low density residential units (approximately 35), an additional 25% of the primary
19 shopping center (approximately 117,000 square feet), 15% of the business park
20 (approximately 49,000 square feet), completion of the first phase buildings of
21 Olympic College, the third segment of the frontage road, certain off-site traffic
22 and utility infrastructure, infrastructure for the Community Park site, and general
23 site preparation for Phase "d".
- 24 D. Phase "d" consists of constructing an additional 20% of the primary shopping
25 center (approximately 94,000 square feet), 100% of the medium density Planning
26 Area 8 (approximately 100 dwelling units), an additional 20% of the business
park (approximately 65,000 square feet), 15% of the secondary commercial sites
(approximately 56,000 square feet), certain off-site traffic and utility
improvements, and general site preparation for Phase "e".
- E. Phase "e" consists of constructing an additional 25% of the business park
(approximately 81,000 square feet), the remainder of the primary shopping center
(approximately 165,000 square feet), 25 % of the secondary commercial sites
(approximately 93,000 square feet), certain off-site traffic and utility
improvements, and general site preparation for Phase "f".
- F. Phase "f" consists of construction of Planning Area 9 medium-density residential
dwellings (approximately 160 units) and any remaining traffic and/or utility
improvements, together with a neighborhood park site within Planning Area 9.

- 1 G. Phase "g" consists of the completion of all land uses not previously developed,
2 which may include secondary commercial (approximately 22,000 square feet) and
3 the remaining office park space (approximately 130,000 square feet).

4 The phases are described in more detail in Chapter 6 of the Master Plan.

5 C. FINDINGS REGARDING EIS ADEQUACY APPEALS

6 FINDINGS REGARDING ALTERNATIVES

7 33. The appeals filed by the Suquamish Tribe and Grow Smart! challenged the
8 adequacy of the alternatives analysis in the FEIS. Two arguments were made by both the Tribe
9 and Grow Smart!: (1) that none of the alternatives meet the definition of "reasonable alternative"
10 found in SEPA, in that none of the alternatives has lesser environmental impacts at a lesser cost
11 than the proposal; and (2) that the range of alternatives was insufficient to do more than support
12 the preferred alternative.

13 34. Grow Smart! also argued that the alternatives did not meet the requirements of
14 SEPA because they serve only to justify the project.

15 35. In addition, Grow Smart! asserted that alternative sites for the project should have
16 been considered, because the Olhava Master Plan is a public project. Grow Smart! argued that
17 the proposal to donate twenty acres of the Olhava property to Olympic College rendered the
18 project public. Grow Smart! also argued that because the same consultant, Terra Nova Planning
19 and Research, Inc., prepared the EISs for the Olhava Master Plan, the City's Comprehensive
20 Plan, and the City's zoning ordinance, the Olhava Master Plan is somehow inextricably
21 intertwined with the City's interests and is therefore a public project.

22 36. During the scoping process for the EIS, the Responsible Official determined that
23 the EIS would include the following alternatives:

- 24 A. The applicant's proposal;
- 25 B. A "no action" alternative, which at that time assumed that the site would develop
26 under current zoning without a master plan governing the entire site;
- 27 C. An alternative which would be less intensive than the applicant's proposal and
28 would have less environmental impact while retaining the present zoning; and
- 29 D. An alternative which would be more intense than the applicant's proposal and
30 have greater environmental impacts while retaining the present zoning.

31 37. In response to comments on the DEIS, a fifth alternative was added: a "no action"
32 alternative which assumed that no development would occur on the site. The FEIS was issued
33 with five alternatives, labelled and described as follows:

1 Alternative One. **Alternative One** assumes the implementation of the Master Plan as
2 proposed. As described in the foregoing findings, this alternative would include 840,000
3 square feet of commercial floor space, 325,000 square feet of business park floor space,
4 490 residential units, and a 50,000 square foot Olympic College Campus site.

5 Alternative Two. **Alternative Two** assumes that the property would be sold in pieces and
6 developed in conformance with the Comprehensive Plan and Zoning Ordinance. Under
7 this alternative, the approximately 215 acre property would be divided along land use
8 designation boundaries and developed as six separate master plans (the two medium
9 density and one low density sites in the northern acreage would be combined into one 30
10 acre master plan) by six unassociated private parties. This alternative assumes a total of
11 332 multi-family residences, 143 single family residences, 100,000 square feet of
12 Olympic College Campus, 905,000 square feet of commercial space, and 435,000 square
13 feet of business park. Originally called the "no action" alternative in the DEIS, this
14 alternative was relabelled as the "multiple master plans" alternative in the FEIS.

15 Alternative Three. This alternative assumes that the total number of dwelling units in
16 the residential component would be reduced to the minimum net density in each
17 designation, based on the Comprehensive Plan, for a total of 64 single family residences
18 and 257 multi-family residences, or 321 total residential units. The balance of the land
19 in the residential areas, 15.5 acres, is assumed to be developed for park uses. This
20 alternative also assumes the commercial development is reduced to 500,000 square feet
21 and that the business park development is reduced to 150,000 square feet. The Olympic
22 College site is assumed to total 50,000 square feet, the minimum possible for a functional
23 campus.

24 Alternative Four. This alternative assumes that the total number of dwelling units in the
25 residential component would be increased by the allowable density bonus or transfer
26 provisions of the Comprehensive Plan, resulting in a total of 525 multi-family units, and
88 single family units. In addition, the community park planned for the northeastern
portion of the property would be developed as its designation of low density residential
allows, resulting in 50 single family dwelling units on 8 acres. The total number of
residential units under this alternative is 663. The commercial space is assumed to
increase to 1,100,000 square feet and the business park space is assumed to be 435,000
square feet with a light industrial focus. The Olympic College is assumed at 100,000
square feet.

Alternative Five. This alternative assumes that no construction will occur on the
proposed property and that the land will remain vacant. This is the no action alternative
added in response to comments on the DEIS.

38. The impacts of all five alternatives are summarized in the chart entitled, "Impacts
and Ranking of Alternatives," set forth on pages II-5 through II-8 of the FEIS.

39. Alternative Two would have greater overall environmental impacts than the
proposed project. Specifically, Alternative Two would have greater environmental impacts

1 on plant and animal habitat, fish and wildlife migration routes, surface water and runoff
2 absorption, groundwater recharge, public water supplies, aesthetics, commercial vacancy rates,
3 fire services, police services, drainage facilities, sanitary sewer facilities, traffic, noise, light,
4 and glare.

4 40. Alternative Four would also have greater overall environmental impacts than the
5 proposal. The impacts of Alternative Four would be the same as those of the proposal with
6 respect to loss of species, air quality, noise, and light and glare. The higher density associated
7 with Alternative Four would result in greater impacts from that alternative in every other area
8 of environmental concern within the scope of the EIS.

7 41. Alternative Five, the no action alternative, would either have no impact on the
8 environment or much less impact than the proposal.

9 42. Testimony at the hearing focussed on Alternative Three. Alternative Three would
10 have less environmental impacts than the proposed Olhava Master Plan would have on plant and
11 animal habitat, domestic water demand, aesthetics, police services, drainage, sewage flows,
12 traffic, noise, light and glare. The FEIS issued in May, 1997 states, however, in Table III-32
13 on page III-67, that Alternative Three would result in an annual negative cash flow to the City
14 of \$31,118.00. Cash flow in the FEIS is used to describe the difference between the revenues
15 generated by the development from property taxes, sales taxes, and utility fees, and the cost of
16 providing public services, such as police, fire, utility, and general governmental services. The
17 negative cash flow was stated to be due to the reduction in tax revenues that would result from
18 less intensive development, versus the high cost of administrative services.

15 43. Grow Smart! and the Suquamish Tribe argued that this negative cash flow takes
16 Alternative Three out of the definition of reasonable alternative found in SEPA. The argument
17 was that a reasonable alternative is one which achieves the proposal's objectives at a lesser
18 environmental cost and that the negative cash flow showed that the environmental cost of
19 Alternative Three was actually greater than the proposal.

19 44. During the hearing, corrected cash flow numbers were provided for Alternatives
20 Three and Four. The City's EIS consultant, Nicole Criste of Terra Nova Planning and
21 Research, advised that an error was made in estimating the water and sewer service fees that
22 would be generated by Alternatives Three and Four and that this error resulted in an erroneous
23 cash flow figure for those alternatives. The corrected figures, set forth on page 18 of Exhibit
24 110, show an annual positive cash flow from Alternative Three of \$366,215.

23 45. Alternative Three will have a positive cash flow, not a negative cash flow as set
24 forth in the FEIS. The fiscal impact of Alternative Three will therefore be less than Alternative
25 One - The Proposed Master Plan. Taken as a whole and with the corrected information,
26 Alternative Three has less environmental cost and would result in a decreased level of
environmental degradation than would the proposed Olhava Master Plan.

46. The Olhava Master Plan proposes that the twenty acres of land in the northwestern
corner of the site designated PS - Public Schools be developed as a branch campus of Olympic

1 College. The applicants have agreed to donate the entire twenty acre parcel to Olympic College
2 if the Master Plan is approved. The land remains owned by the applicants at this time and will
3 only be dedicated if the Master Plan is approved. The Olympic College is not a signatory to the
4 Master Plan application.

5 47. Terra Nova Planning and Research, Inc. did prepare the EIS on the Olhava Master
6 Plan, the City's Comprehensive Plan, and the City's Zoning Ordinance. In each case, Terra
7 Nova was hired by the City as a consultant to provide expertise. On the Olhava Master Plan
8 EIS, the applicants were required to pay for Terra Nova's services.

9 FINDINGS REGARDING EIS ERRORS

10 48. The FEIS issued in May, 1997 contained errors in the cash flow analysis for
11 Alternatives Three and Four. In reviewing the FEIS cash flow analysis in preparation for her
12 testimony in the appeal hearing, Ms. Criste discovered that water and sewer revenues from these
13 two alternatives were underestimated, thus resulting in a negative cash flow being shown for
14 Alternative Three in Table III-32 and resulting in a negative cash flow being shown for
15 Alternative Four in Table III-33.

16 49. The correct water and sewer revenue figures were provided in Exhibit 110 to the
17 hearing. The corrected information showed that Alternative Three would have a positive cash
18 flow to the City of \$366,215 annually, as opposed to the negative cash flow of \$31,118 shown
19 in Table III-32 in the FEIS. The corrected information showed that Alternative Four would have
20 a positive cash flow to the City of \$945,236 annually, as opposed to negative cash flow of
21 \$128,808 annually shown in Table III-33 of the FEIS.

22 50. The corrections showed that Alternatives Three and Four have less environmental
23 impacts than are described in the FEIS.

24 51. Neither Grow Smart! nor the Suquamish Tribe offered any evidence to show that
25 the corrected information was wrong. Instead, they argued simply that the fact that the FEIS
26 was incorrect rendered it inadequate, showed a lack of credibility on the part of the FEIS
27 consultant, and made the entire FEIS and all subsequent corrections suspect.

28 FINDINGS REGARDING HISTORIC AND CULTURAL RESOURCES

29 52. In a letter dated July 8, 1997 summarizing its appeal (Exhibit 31), the Suquamish
30 Tribe requested that a cultural resources survey be done on the Olhava property. In a
31 subsequent letter dated October 8, 1997 (Exhibit 104), the Suquamish Tribe indicated that its
32 request for a cultural resources survey was "not necessarily the basis of this appeal." Grow
33 Smart! argued that the lack of a cultural resources survey demonstrated the inadequacy of the
34 FEIS.

35 53. Neither Grow Smart! nor the Suquamish Tribe presented any evidence that historic
36 or cultural resources were located on the Olhava Master Plan property or that the Olhava Master
37 Plan would have a probable, significant, adverse impact on any such resources. When asked

1 whether she had any information on the presence of cultural resources on the site, the Tribe's
2 representative, Phyllis Meyers, replied that the information was confidential. Whatever that
3 information might have been, it was not presented in the hearing.

4 FINDINGS REGARDING DRAINAGE AND EROSION CONTROL

5 54. The Suquamish Tribe expressed concerns about the ability of the infiltration
6 system to remove pollutants from storm water and how the same might affect the traditional
7 fishing grounds of the Tribe. The Tribe suggested that a lesser density alternative should have
8 been studied as a means of protecting aquatic resources.

9 55. Grow Smart! also expressed concerns about the drainage and erosion control
10 measures proposed by the Master Plan. Grow Smart!'s concern was that erosion and drainage
11 flow and overflow from the property could cause downstream damage if the measures set forth
12 in the drainage plan and imposed by the City either did not work or were not enforced. Grow
13 Smart! also expressed concern that pollutants and sediments from the drainage could adversely
14 affect water quality in Dogfish Creek and Liberty Bay.

15 56. The northern 174 acre parcel contains a natural ridge running north and south
16 splitting the storm drainage flow into two major drainage basins - the Johnson Creek basin and
17 the Dogfish Creek basin. The west half of the site drains south toward the north fork of Johnson
18 Creek. The remaining acres drain east and flow under SR 3, mixing with the runoff from the
19 southern 41 acre parcel and draining into Dogfish Creek. Dogfish Creek flows through Big
20 Valley to the north and discharges near the inlet of Liberty Bay, southeast of the Olhava
21 property. The north fork of Johnson Creek flows south from the project area to Liberty Bay.
22 Both Dogfish and Johnson Creeks interact with a number of wetland areas, many riparian
23 corridors, and Liberty Bay.

24 57. Currently, most of the drainage from the Olhava property is naturally infiltrated
25 on site. There are three seepage points where water exits the site, but there are no significant
26 drainage channels on the site itself.

27 58. The Master Plan and the FEIS divide the Olhava property into nine drainage
28 subareas for both pre-development and post-development drainage analysis. The proposal is to
29 infiltrate all of the drainage from these nine drainage areas. Surface water runoff from
30 impervious surfaces will be routed to a series of sedimentation ponds, where sediments and
31 pollutants will settle out. Water will then travel from the sedimentation ponds to
32 infiltration/detention ponds, which will be used to infiltrate the water back into the soils.
33 Infiltration will be used to the maximum extent feasible, but the ponds will also be designed to
34 be detention ponds for any water not infiltrated. The infiltration ponds are required to be sized
35 to accommodate the 100 year/7 day storm, but will actually be designed to accommodate twice
36 that much water. An overflow system will also be designed to accommodate any flows
37 exceeding this limit. The overflow will pass through grass-lined swales and then into natural
38 and manmade drainage courses off-site.

1 59. Wetlands on the site will not be used as infiltration, sedimentation, or detention
2 ponds. Flows will be maintained to existing Wetlands A, C, D, and E by the groundwater
3 passing through the infiltration system. Flows to Wetland B will be interrupted, but this wetland
4 is proposed to be replaced at a 2:1 ratio on site by expansion of Wetlands C and D.

5 60. The infiltration system will be required conform to or be in excess of the
6 specifications set forth in the following regulations:

- 7 • The Liberty Bay/Miller Bay Watershed Plan
- 8 • The Federal Clean Water Act, particularly Sections 401 and 404
- 9 • State Water Quality Standards
- 10 • DOE Storm Water Management Manual for the Puget Sound Basin
- 11 • State Hydraulics Code
- 12 • Kitsap County Storm Water Design Manual
- 13 • City of Poulsbo Drainage Ordinances
- 14 • City of Poulsbo Sensitive Areas Ordinance
- 15 • Other applicable portions of the Poulsbo Municipal Code

16 In addition, the system will be required to meet the approval of the City Engineer.

17 61. Grow Smart! and the Suquamish Tribe questioned the feasibility of infiltration on
18 the site, arguing that this is relatively new technology and that there can be no assurances that
19 it will work properly or be maintained adequately.

20 62. Infiltration has been used in Washington for a number of years and is now the
21 preferred method of drainage disposal found in the DOE Storm Water Manual, providing that
22 it is feasible and can be accomplished on site. Infiltration has been successfully used on other
23 developments in the Puget Sound Region and the applicant's storm water engineers have
24 experience in the design and implementation of infiltration systems.

25 63. Infiltration appears to be feasible on the Olhava property based upon soils and
26 drainage analysis conducted by the applicant's engineers. A feasibility analysis at the Master
Plan level consists of analyzing the soils in order to determine whether they will allow
infiltration under the drainage design concepts assumed. The feasibility analysis conducted on
the Olhava site concludes that the soils will allow infiltration of the anticipated amount of storm
water at a rate which will make the size of the proposed ponds adequate.

64. In the event that further investigation of the soils and percolation tests conducted
during the design of the infiltration system determine that the infiltration rate of the soil will be
less than anticipated, the infiltration ponds may be required to be larger than currently proposed.
Sufficient land exists on the site for this purpose.

65. Grow Smart! questioned the soils investigation of the site based upon the number
of test borings and the use of the term "silty sand" in the FEIS to describe the soil types.

1 66. The applicant's soils engineer testified as to his opinion that the test borings were
2 sufficient to do the type of feasibility analysis require at this stage of drainage planning.
3 Additional test borings will be done when a more detailed drainage design is underway. Grow
Smart! offered no expert testimony to dispute this opinion.

4 67. With respect to "silty sand," there was evidence submitted that the term silty sand
5 is used to describe certain classes of soils. Regardless of whether the precise term is correct,
6 Grow Smart! did not present any evidence to show the relevance of the use of the term to the
adequacy of the FEIS.

7 68. With respect to pollutants, several methods are proposed to ensure that storm
8 water is purified prior to leaving the site. The first method is point source control, i.e., control
9 at the source of the anticipated pollution, which is anticipated to be implemented through
building permits for the various proposed uses.

10 69. The drainage system itself will have several built in safeguards and methods for
11 dealing with pollutants. Pollutants will first be settled out in catch basins, the first point of
12 drainage collection. The stormwater will then be routed through an oil/water separator, a device
13 which separates the lighter particles of pollutants in the water from the heavier materials. The
14 storm water will then go into sedimentation basins, which slow the water so that about 80% of
the particulate matter left will settle out. The sedimentation basins are lined and impervious to
prevent leaching of materials into the soil. Water exiting the sedimentation basins will be
cleaned through this process.

15 70. Grow Smart! questioned the ability of the City staff to enforce temporary erosion
16 control measures on the project. Temporary erosion control during construction will be handled
17 through immediate construction of temporary drainage systems at the outset of grading in any
18 phase, as well as by standard erosion control techniques imposed and enforced by the City. An
19 erosion control plan will be required to be approved the City Engineer prior to construction and
the applicants will be required to implement the plan during construction. The City Engineer
assured the Council that the staff will enforce all erosion control measures necessary to prevent
downstream damage.

20 71. Neither the Suquamish Tribe nor Grow Smart! submitted any technical evaluations
21 or engineering data to support their claims that the drainage impacts of the Olhava Master Plan
22 were not adequately disclosed, discussed, or substantiated in the FEIS, or that the proposed
23 drainage system would be unable to collect, clean and dispose of storm water in the manner
analyzed in the FEIS.

24 FINDINGS REGARDING KITSAP COUNTY POPULATION GROWTH
25 ASSUMPTIONS

26 72. Grow Smart! and Winmar questioned the population growth assumptions used in
the FEIS. Winmar's argument was that the population growth forecast for Kitsap County was
overstated, resulting in the FEIS overstating the retail sales demand to support the Olhava
project. Grow Smart!'s argument was also that the population growth forecast was overstated,

1 affecting the analysis of everything in the FEIS from traffic, to schools, to sewer and water and
2 rendering that analysis inaccurate.

3 73. The FEIS assumes a population growth rate for both Kitsap County and the City
4 of Poulsbo of approximately 4% per year. This growth rate was derived by Urban Decision
5 Systems, Inc., an EIS subconsultant, from U.S. Census Bureau data and data provided by the
6 State Office of Financial Management (OFM), and which shows an increase in the City's
7 population of 43% between 1980 and 1990. The FEIS also assumes that Kitsap County's
8 population will continue to show strong growth, based upon U.S. Census Bureau and OFM data
9 showing a population increase of 28.94% in the County between 1980 and 1990 and an increase
10 of 12.37% between 1990 and 1994. The FEIS projected that County population would grow to
11 225,931 persons by the year 2000 and 277,728 persons by year 2010.

12 74. The data used for the Commercial Need and Economic Analysis was the best
13 available in July, 1995 when that was prepared. Both Winmar and Grow Smart! questioned this
14 data and the projected population growth rate, because the data is now at least four years old.
15 Winmar and Grow Smart! contended that had 1995 and later data been used, the growth rate
16 would have averaged out to a lesser number.

17 75. The population growth assumptions in the FEIS are supported by OFM data
18 prepared since 1995 and admitted at the hearing as Exhibit 86. The FEIS assumed a Kitsap
19 County population of 225,931 by the year 2000 based upon the historical data compiled by OFM
20 prior to completion of the Commercial Need and Economic Analysis in 1995. The updated data
21 as of April 1, 1997, shows that the 1997 population of Kitsap County was already estimated at
22 229,400 as of that date, 3,469 persons higher than projected in the FEIS and its Technical
23 Appendices.

24 FINDINGS REGARDING ECONOMIC IMPACTS

25 76. Winmar and Grow Smart! contended that development of the Olhava Master Plan
26 would have severe economic impacts on existing businesses in downtown Poulsbo and in
Silverdale and that the FEIS inadequately addresses this issue. Winmar and Grow Smart! also
argued that the analysis contained in the FEIS overstates the potential retail sales available for
absorption by the Olhava commercial areas, thereby leading to an overstatement of anticipated
tax revenues generated by the project and that will be used to offset the project's impacts on
services.

27 77. The FEIS contains a Commercial Need and Economic Analysis, which was added
28 as a optional element at the direction of the Responsible Official. The section of the FEIS
29 devoted to this issue is found at pages III-45 through III-69 and provides an analysis of the
30 potential for market growth in the sale of consumer goods in North Kitsap County and in the
31 City of Poulsbo over the anticipated buildout of the project. The FEIS also analyzes the
32 potential impacts of economic competition fostered by the Olhava commercial areas on
33 downtown Poulsbo, the Viking Avenue area, and a geographic area referred to as the North
34 Kitsap Trade Area, which includes portions of Silverdale. Finally, the FEIS sets forth estimated

property tax, sales tax, and permit fee income that is anticipated to flow to the City from the project at buildout.

78. The FEIS concludes that the potential impact to the downtown Poulsbo retail core from the economic competition fostered by the Olhava commercial development will be insignificant because the types of businesses which are currently located in and which will locate in the downtown area in the future are significantly different in character from those likely to consider a large commercial center such as is proposed for Olhava.

79. The FEIS concludes that the potential impact to the Viking Avenue commercial area in the City from the economic competition fostered by the Olhava commercial development will be insignificant because the Viking Avenue area is primarily devoted to automobile and recreational vehicle sales, a land use which is not anticipated to occur in the commercial areas of the Olhava Master Plan. The FEIS also concludes that even if such sales were to locate in the Olhava commercial development, the City's plans to improve pedestrian and vehicular movement on Viking Avenue will make the area more attractive to the types of businesses that are currently anticipated for the Olhava property and which would necessarily be displaced by any location of automobile or recreational vehicle dealerships.

80. The FEIS concludes that the anticipated population growth in the North Kitsap Trade Area and in Kitsap County as a whole will generate an expanded market potential for the Trade Area which will, in turn, allow the commercial development in the Olhava Master Plan to be absorbed and to generate the property tax, sales tax, and permit fee income anticipated. The FEIS also concludes that the continued growth in Central Kitsap County, and the market-driven diversity in product lines likely to occur in the North Kitsap Trade Area vs. the Central Kitsap Trade Area will offset any impacts to the Silverdale commercial area from the economic competition of the Olhava Master Plan commercial development.

81. Winmar's economic consultant, Walter Hobson, gave his opinion that the FEIS analysis was inadequate. Mr. Hobson's conclusions were essentially that:

- a) The population and employment growth rates used for the North Kitsap Trade Area in the FEIS are inaccurate, thereby overstating the retail sales potential in the area;
- b) The methodology used by the FEIS to estimate retail sales capture by the commercial development in the Olhava Master Plan was flawed, resulting in an underestimation of the impacts of the proposed commercial area both to other commercial areas in Poulsbo, and to commercial uses in Silverdale. Mr. Hobson contended that a residual market analysis should have been done in order to determine the need for the Olhava commercial uses and the impact they would have on other commercial areas;
- c) The boundaries of the North Kitsap Trade Area used by the FEIS to estimate the total market from which the proposed Olhava commercial development would draw are overstated, resulting in an overestimation of retail sales available for

capture by the Olhava development and downtown Poulsbo and an underestimation of impacts on other commercial areas from sales capture by the Olhava Master Plan commercial development; and

- d) The impacts on the Silverdale and downtown Poulsbo commercial areas could be so severe as to cause economic blight.

82. As noted above in previous findings, the population growth numbers and rates used in the FEIS consistent with OFM data.

83. Winmar did not offer any specific employment growth numbers to support its contention that employment growth is overstated in the FEIS.

84. Mr. Hobson did not conduct any residual market analysis of his own and therefore did not testify as to what the specific results of what such an analysis would show. A residual market analysis measures the quantity of retail sales demand which is currently being adequately served by existing businesses. The portion of the demand which is not being adequately served is the "residual market" which is then available for capture by businesses entering the market.

85. Mr. Hobson gave his opinion that economic blight could result in downtown Poulsbo and Silverdale if development of the Olhava Master Plan commercial areas occurs. Economic blight is a condition in which the normal turnover of vacancies that occur in business areas is replaced by permanent shut down of businesses and a spiraling increase in vacancies. Economic blight can result in significant aesthetic impacts, as well as significant impacts on police, fire, and general governmental services. Mr. Hobson gave his opinion that as much as 65 % of existing businesses in the North Kitsap Trade Area could fail if the Olhava Master Plan commercial areas were built out.

86. Mr. Hobson did not, however, conduct any independent studies or produce any report that showed economic blight in downtown Poulsbo or Silverdale would be the likely result of the Olhava Project. Mr. Hobson offered no specific facts or analysis to support his opinion that 65 % of the businesses might fail. Mr. Hobson did not present any evidence as to any increased vacancy rates that would occur in downtown Poulsbo or Silverdale as the result of Olhava and made no attempt to quantify the impacts on aesthetics, police, fire, or general governmental services that might result.

87. During rebuttal testimony, Mr. Hobson provided a chart which he asserted showed that the Olhava project will result in a decreased sale potential in the Silverdale area of \$80,000,000 per year, a decrease which Mr. Hobson indicated could cause economic blight.

88. The chart contained three errors: (1) it compared sales potential at Olhava from the entire North Kitsap Trade Area with sales potential at Silverdale and downtown Poulsbo from only a portion of the North Kitsap Trade Area, thereby overstating Olhava's impacts; (2) it assumed that the buildout of the Olhava Master Plan would occur by 2005, which is incorrect given the fact that development won't likely begin until 1999; and (3) it failed to recognize that Silverdale draws its sales potential not only from the North Kitsap Trade Area, but also from

1 Central and South Kitsap, thereby understating the potential in sales growth available for
2 Silverdale.

3 89. Mr. Hobson did not conduct any independent studies to identify the precise
4 boundaries of the smaller North Kitsap Trade Area that he said existed. Although he gave his
5 opinion that no sales would occur in Olhava or in downtown Poulsbo from the area near
6 Silverdale and North Bremerton, Mr. Hobson did not provide factual support for that opinion.

7 FINDINGS REGARDING SCHOOL IMPACTS

8 90. The impact of the Olhava Master Plan on schools was not a subject which was
9 scoped for inclusion in the FEIS. Grow Smart! argued that this was error and that the FEIS was
10 therefore inadequate.

11 91. The North Kitsap School District commented on the DEIS (Comment Letter No.
12 11), requesting that the applicant be required to pay school impact fees as each phase of the
13 Master Plan is developed and as determined by the developer and the North Kitsap School
14 District. North Kitsap School District did not request any additional mitigation beyond the
15 impact fees.

16 92. The staff's proposed Condition 76 addresses the school impact fees issue and
17 provides that the applicant must work out such fees for each development phase with the North
18 Kitsap School District and pay the same prior to issuance of permits for that phase. The
19 applicant has agreed to this condition.

20 93. Mr. John Polizzi, a member of Grow Smart!, testified that in his opinion the
21 North Kitsap School District's impact fees are insufficient to alleviate the actual impacts of the
22 additional students that would be generated by the Olhava Master Plan project. Mr. Polizzi gave
23 his opinion that the number of students generated by the project would require one-third of an
24 elementary school, one-sixth of a junior high, and one-tenth of a high school. Mr. Polizzi also
25 asserted that other non-construction impacts should be considered and noted that school impact
26 fees in other areas, such as Kent, were higher than those of the North Kitsap School District.

94. Mr. Polizzi did not consider the sales tax and property tax revenues that would
be generated by development of the Olhava Master Plan in determining whether the school
impacts would be mitigated. The Olhava Master Plan project is estimated to generate sales and
property taxes for K-12 public schools of approximately \$2,580,000 at buildout. This estimate
does not include the generation of any sales tax revenue from the portion of the Olhava property
zoned business park, a classification which allows some uses that could generate sales tax.

95. Grow Smart! did not present any evidence that the project would have a
significant impact on schools that would not be mitigated by a combination of the sales taxes,
property taxes, and impact fees.

FINDINGS REGARDING PUBLIC TRANSIT

96. Grow Smart! asserted that Kitsap Transit's concerns about impacts of the Olhava Master Plan on public transit are not adequately addressed in the FEIS.

97. Section 5.6 of the proposed Master Plan proposes two primary bus routes through the site in order to serve all of the land uses. These routes are shown on Figure 5F in the Master Plan and consist of both a local route to Poulsbo via SR 305 and an express route to Silverdale via SR 3. Potential bus stops are also shown on Figure 5F and would be provided either by widening proposed bicycle lanes from 5 to 8 feet to accommodate buses, or by constructing standard bus pullouts.

98. The DEIS issued on January 28, 1997 acknowledged that there will be transit impacts from the Master Plan proposal and that the Traffic Study prepared by the applicant's expert, Gibson Traffic Consultants, and contained in Appendix I of the Technical Appendices to the DEIS recommends additional transit improvements. In addition, the DEIS recommended the following transit-related conditions on p. III-116 and 117:

- The project proponent shall develop two transit route plans with Kitsap Transit which allow for bus stops and associated shelters throughout the project to both the City of Poulsbo and Silverdale. The bus stops shall be centrally located and provided with shelters whenever possible. The plans shall include a transit turnaround at Olympic College. These plans shall be finalized prior to the completion of phase "b," and shall be implemented throughout the project as phase development occurs.
- In compliance with the City of Poulsbo Comprehensive Plan, the project proponent shall work with Kitsap Transit to determine whether a park-and-ride lot should be located within the proposed project site. Should a need analysis determine that a lot should be located within the proposed project, its development shall be linked to the development of the adjacent phase.
- All individual project proposals shall be reviewed for conformance with the City's Commute Trip Reduction Ordinance (Section 18.53.010 et seq.). All affected employers (generally employers with 100 or more employees) shall implement the measures in the Ordinance.

With these conditions, the DEIS concluded that the impacts of the proposal on public transit would be mitigated.

99. Kitsap Transit submitted a written comment on the DEIS which is included as comment letter 6 in the Appendix B to the FEIS. The letter suggested that either parking be reduced or a transportation management program (TMP) be required to ensure that the amount of parking available does not discourage transit use. Kitsap Transit also suggested that the project proponent be required to contribute their fair share of the cost of developing additional park-and-ride lots.

1 100. The FEIS responds to the first comment by Kitsap Transit by indicating that the
2 City's CTR Ordinance will be applied and will require TMPs for major employers. The FEIS
3 responds to the second comment by stating that the FEIS contains such a requirement. The FEIS
4 incorporates the same proposed mitigation conditions set forth in the DEIS on park-and-ride lots.

5 101. Grow Smart! asserted that the CTR ordinance would be insufficient to mitigate
6 transit impacts because it requires measures to be taken only by major employers, which is
7 defined as an employer with 100 or more employees. Grow Smart! requested that all businesses
8 on the site be required to submit a CTR plan or a TMP. Grow Smart! also expressed concern
9 about the lack of an analysis of the need for park-and-ride lots and spaces created by this
10 project.

11 102. The FEIS proposes that the applicant be required to work with Kitsap Transit in
12 order to determine whether a park-and-ride lot should be located on the Olhava Master Plan
13 property. In addition, the applicant and City staff have proposed that the applicant pay its fair
14 share of acquiring and constructing park-and-ride spaces resulting from demand created from
15 the Olhava project.

16 103. Grow Smart! did not present any evidence that the FEIS fails to disclose, discuss,
17 and substantiate the Olhava Master Plan's probable, significant, adverse environmental impact
18 on public transit. Grow Smart!'s concerns were directed toward the mitigation measures to be
19 imposed and are more properly dealt with in the discussion of transit mitigation measures below.

20 FINDINGS REGARDING PHASED ENVIRONMENTAL REVIEW

21 104. The SEPA Responsible Official has determined that phased environmental review
22 is appropriate for the Olhava Master Plan and subsequent development applications. Grow
23 Smart! challenged the use of phased environmental review, asserting that all environmental
24 impacts of the proposal should be addressed at the present time.

25 105. The master plan process set forth in Chapter 18.32 of the Poulsbo Municipal Code
26 anticipates that portions of a master plan may be conceptual in nature, specifically grading and
27 utility plans. The master plan is not required to provide the kind of detail that is required of
28 more definitive development applications, such as subdivision applications, applications for site
29 plan approval, and applications for building permits.

30 106. Master plan approval does not, in and of itself, authorize development of the
31 Olhava property. Before development can occur, the property owners will be required to
32 undertake the following actions:

- 33 a) Individual phases will be required to receive approval through the site plan review
34 process.
- 35 b) In addition to site plan review, development in any individual phase may require
36 additional permits, such as building and grading permits, preliminary and final

1 plat approvals, planned unit development approvals, conditional use permits,
2 variances, and other permits.

3 These actions will require the applicants to provide significantly more detail concerning the
4 development of the site in order to receive the required approvals.

5 107. The SEPA Responsible Official has determined that phased environmental review
6 will allow the City to address any additional environmental impacts that become apparent as
7 more detail is provided. In addition, the Responsible Official has determined that phased
8 environmental review will allow the City to take into account changed conditions within and
9 outside the City of Poulsbo over the proposed 10 year buildout of the Olhava Master Plan and
10 to fashion revised mitigation measures.

11 108. Grow Smart! presented no evidence that phased environmental review would not
12 would not be effective in addressing the environmental impacts of the Olhava Master Plan.

13 FINDINGS REGARDING FISH AND WILDLIFE

14 109. The project site is the habitat of many varieties of mammals, birds, reptiles, and
15 amphibians, typically found in a lowland coniferous forest in the Puget Sound Region.

16 110. In order to determine the types of wildlife and wildlife habitat present on the site,
17 a biological resources study was conducted. No evidence of threatened, endangered, or sensitive
18 wildlife species was observed during field assessments conducted for this study.

19 111. Grow Smart! questioned the validity of the biological resources study, asserting
20 that there should have been a four seasons wildlife survey and asserting that there were sensitive
21 or endangered species on site.

22 112. On the first assertion, Grow Smart! stated that the Department of Ecology had
23 requested a four seasons survey and that the FEIS was inadequate because it was not done.

24 113. DOE's comment letter on the DEIS (Letter No. 55) does not request a four
25 seasons survey, but questions whether one was done or would be done as the result of a
26 recommendation by other parties during the hearing on the MDNS. The FEIS responds to this
27 comment by indicating the results of the biological resources survey done on the site. The FEIS
28 goes on to state that past development of the site and the construction of SR-3 has degraded
29 habitat in the past, rendering a four seasons survey unwarranted.

30 114. Grow Smart! offered no evidence to support the need for a four seasons wildlife
31 survey other than a reference to the DOE letter and Grow Smart!'s suggestion that further
32 information was needed. No evidence was provided that a four seasons wildlife survey would,
33 in fact, disclose more information than the field assessment and report summarized in the FEIS.

34 115. On Grow Smart!'s second assertion about threatened or endangered species, Grow
35 Smart! offered no evidence that any such species was located on site. Grow Smart! showed

slides of various animals and birds, including the pileated woodpecker, which inhabit the Puget Sound region. None of these pictures were taken on the Olhava property. Grow Smart! also submitted a list of wildlife which had been observed by Grow Smart! members on the site. Grow Smart! also submitted, as Exhibit 129, the State Department of Wildlife's recommendations for management of pileated woodpecker habitat. None of the documents or testimony offered actual evidence of the pileated woodpecker or of any other threatened or endangered species on the Olhava property.

116. Grow Smart! asserted that the inevitable destruction of wildlife habitat on the site due to grading and development was not adequately addressed in the FEIS.

117. The FEIS recognizes the impact of the project on wildlife habitat. As the FEIS states on page III-7:

The loss of open space and wildlife habitat is an unavoidable impact of development. Although site disturbance under each of the proposed development-related alternatives would vary, the overall disturbance of the site will cause the fragmentation of habitat regardless of the level of development. Alternative Five, No Construction, would represent the only alternative which would not have an impact on habitat.

Loss of open space and wildlife habitat is recognized as an unavoidable adverse environmental impact of the Olhava development.

118. In recognition of these overall impacts on wildlife habitat, the FEIS proposes a number of mitigation measures on pages III-8 and III-10 through III-12. Even with these mitigation measures, the FEIS recognizes some unavoidable loss of habitat.

119. Wetlands were identified in the FEIS as the only priority wildlife habitat on the Olhava property. The Olhava property contains five documented wetlands, labelled Wetland A - E in the FEIS. A sixth potential wetland, labelled F, was determined not to have the necessary soils, hydrology, and vegetation characteristics to be considered a wetland based upon a field study.

120. Wetlands A and B are 0.122 and 0.080 acres in size, respectively, and are rated moderate-high for biological support. Wetlands C and D are 0.055 and 0.064 acres in size, respectively, and are rated low for biological support. Wetland E is 0.776 acres in size, and is rated moderate-high for biological support. Because Wetland F was not considered a true wetland, this .04 acre potential wetland was not given a biological rating in the FEIS.

121. The Master Plan proposes to preserve the wetland habitat on the site through the use of buffers and enhancement. Wetland B will be eliminated indirectly as the result of its supporting drainage basin being eliminated through development. Wetland B will be replaced on site at a 2:1 ratio. Portions of Wetland F will be eliminated, and will be replaced by adding to Wetlands C and D at a 2:1 ratio, even though Wetland F is not considered to be a true

1 wetland. The current amount of wetlands on the Olhava property is about 1.137 acres and this
2 will be increased to about 1.257 acres after development. Wetlands A, C, and D will be
3 protected by fifty foot buffers and Wetland E will be protected by a 100 foot buffer. It is
4 anticipated that water levels in the wetlands will remain approximately the same.

5 122. Grow Smart! presented no specific evidence on loss of wildlife habitat that was
6 not considered in the FEIS. Grow Smart!'s testimony presented only generalized concerns about
7 habitat loss.

8 FINDINGS REGARDING UNIQUE PLANT SPECIES

9 123. In its discussion of vegetation occurring on the Olhava property, the FEIS states
10 on page III-2 that "mountain hemlock" is "common" on the southeastern 41 acres.

11 124. Grow Smart! member Judy Guttormsen testified that mountain hemlock is not
12 found at elevations of less than 4,500 feet above sea level and that if it is found on the Olhava
13 site, it is very rare and must be preserved.

14 125. Mountain hemlock is not actually found on the Olhava property. In a letter
attached to Exhibit 110, Johnathan H. Ives of Jones & Stokes Associates, Inc., the firm that
conducted the biological resources study for the EIS, advised that the reference to mountain
hemlock was a typographical error and that no such species was observed on the site. Western
hemlock is the dominant species on the site and is a common species in this region.

FINDINGS REGARDING DOMESTIC WATER SUPPLIES

16 126. Grow Smart! questioned whether there would be sufficient water available to serve
17 the Olhava Master Plan.

18 127. The City of Poulsbo is the purveyor of domestic water service within the Poulsbo
19 City limits. Because of topography and infrastructure factors, water for the Olhava Master Plan
20 development will have to be provided by the City from water purchased from the Kitsap Public
21 Utility District (PUD). The current Interlocal Agreement between the City of Poulsbo and the
22 Kitsap PUD provides for the City to purchase up to 500 gallons per minute (gpm) to serve City
23 customers.

24 128. The water that can be purchased from the Kitsap PUD is not solely dedicated to
25 the Olhava property, however, and may be needed to serve other customers in this portion of
26 the City or any urban growth area adjacent to this portion of the City. As a result, the City and
the PUD have proposed to amend the Interlocal Agreement to increase the amount of water
available for the City to purchase to 1,000 gpm. The PUD does not currently have sufficient
water available to provide 1,000 gpm, however, and is attempting to acquire additional water
rights to do so.

129. The Master Plan development is anticipated to require 378 gpm by the end of
phase "e." Even with other anticipated development and demand, Kitsap PUD will be able to

1 supply sufficient water to the City for that phase. Kitsap PUD may be unable to supply water
2 for any future phases, however, unless additional water rights are acquired and the Interlocal
3 Agreement amended. The FEIS recognizes this problem and recommends as mitigation that no
4 development past phase "e" be allowed until Kitsap PUD secures additional water rights and an
5 Amended Interlocal Agreement is entered into.

6 130. Grow Smart! also questioned whether the drainage system and development of the
7 Olhava property would affect private wells in the vicinity of the proposed project. The FEIS
8 acknowledges that all of the development alternatives could cause draw-down of groundwater
9 and that the effectiveness of the infiltration system will have a direct impact on the recharge of
10 groundwater sources. In addition, the applicant's soils expert gave his opinion that if the
11 infiltration system operates properly, there should be no affect on private wells in the vicinity,
12 although that could not be guaranteed. The FEIS does not propose any specific mitigation
13 measures regarding private wells.

14 131. Grow Smart! also presented a paper prepared by James Nardo on the subject of
15 how cutting trees reduces the interception of fog, which is one source of water supply. Grow
16 Smart! argued that the FEIS was inadequate because of its failure to take into account the loss
17 of fog interception and the increase in evaporation that would occur by cutting of the trees.

18 132. Fog interception and evaporation were taken into account in the calculation of
19 ground water recharge impacts in the FEIS.

20 FINDINGS REGARDING TRAFFIC

21 133. Grow Smart! raised general concerns regarding the amount of traffic that the
22 project would generate and generally asserted that the FEIS did not adequately address increased
23 traffic volumes and that traffic forecasts in the FEIS were inaccurate. Grow Smart! asserted that
24 other access points should have been studied and that allowing access from the Olhava property
25 to County roads would impact the quality of life of surrounding residents. Grow Smart! did not,
26 however, submit any information which proved any inaccuracy of the traffic analysis used in the
FEIS or the amount of the traffic which the analysis determined would be present on any
particular street or intersection. Grow Smart! did not present any traffic studies or analysis of
its own.

134. Grow Smart! questioned the inclusion of a right-of-way for E Street, a proposed
collector road extending west through the northern parcel to the parcel's western boundary.
Grow Smart! asserted that the FEIS was inadequate because this roadway is not on any City
approved plan and the traffic to the west on E Street is not analyzed.

135. The proposed E Street right-of-way is an item that the City Engineer required to
be shown on the Master Plan and dedicated to the City for possible future use should that
become necessary for circulation purposes. The right-of-way is not proposed for development
at the present time, however, and no development of the right-of-way would be likely to occur
until right-of-way for an extension of E Street to connect with some other transportation
corridor.

1 136. Grow Smart! asserted that the project's traffic impacts to Finn Hill Road have not
2 been adequately considered. The FEIS discusses the impacts to Finn Hill Road on pages III-103,
3 III-104, III-107, III-110, III-112, III-113, III-117, and III-118, and in Table III-47. Grow
4 Smart! did not present any technical analysis to dispute the analysis in the FEIS.

5 137. Grow Smart! argued that access to Terasse Drive should be limited to emergency
6 vehicles and that this was not adequately considered in the FEIS. The FEIS shows anticipated
7 traffic volumes on Terasse Drive on Exhibit III-14 on page III-95. No evidence was presented
8 to show that the project traffic would create a probable, significant, adverse impact on Terasse
9 Drive necessitating traffic to be limited to emergency vehicles.

10 FINDINGS REGARDING BUFFERS

11 138. Grow Smart! questioned the utility of the proposed buffers to mitigate aesthetic
12 impacts and impacts from light, glare, and noise generated by the Olhava Master Plan
13 development. Grow Smart! asserted that the FEIS was inadequate because significant impacts
14 from light, glare, noise, and aesthetics would remain after the buffers were installed.

15 139. The City's adopted standards require a 25-foot wide vegetative buffer on all
16 property lines between dissimilar land uses. The Master Plan proposes to double the size of this
17 buffer to 50 feet:

- 18 • along the entire perimeter of the southern 41 acre parcel, except at access points;
- 19 • along the northern property line of the northern parcel from Parnell Place to the
20 northwestern property corner;
- 21 • along the western property line of the northerly parcel to the southern end of the
22 medium density residential planning area.

23 In addition, the Master Plan proposes to retain a 25 foot vegetative buffer along the western
24 property line in the commercial areas, to provide an approximately 350 foot wide community
25 park along the northern boundary of the northeast corner of the northern parcel, and to provide
26 an approximately 200 foot wide community park along the eastern boundary of the northeast
27 corner of the northern parcel.

28 140. The FEIS analyzes the effectiveness of these buffers for mitigating aesthetic
29 impacts and concludes that 50 feet will be sufficient in those areas where the same is proposed.
30 The FEIS concludes, however, that the 25 foot buffer proposed along the boundaries of the
31 commercial areas is insufficient. The proposed commercial area is adjacent to land designated
32 for medium density residential use. The FEIS concludes that the proposed 25 foot buffer may
33 be insufficient to screen the commercial buildings from the adjacent residential properties. The
34 FEIS recommends that the buffer in this area be increased to 50 feet in width.

35 141. The proposed buffers are intended to utilize existing trees and natural vegetation
36 to the extent possible. No grading is anticipated in the buffer areas themselves except at access
37 points for roads and utilities and where necessary to achieve acceptable slopes without

1 construction of significant retaining walls, and the natural vegetation is to be augmented with
2 the planting of additional trees and understory vegetation.

3 142. The Planning Commission has also recommended that the buffer along the western
4 boundary where the multi-family portion of the Olhava Master Plan abuts rural development in
5 unincorporated Kitsap County be increased to 100 feet in width as opposed the 50 feet proposed
6 in the Master Plan.

7 143. Grow Smart! did not present any graphics or other evidence to show that buffers
8 or any specific width would or would not be sufficient to mitigate aesthetic, light, glare, and
9 noise impacts of the proposal or that the impacts which are intended to be mitigated by the
10 proposed buffers are not analyzed in the FEIS.

11 FINDINGS REGARDING RESPONSES TO COMMENTS

12 144. Grow Smart! argued that the FEIS is inadequate because it uses the phrase
13 "comment noted" to respond to some of the comment letters. Grow Smart! asserted that the use
14 of this phrase rather than a more elaborate response violated WAC 197-11-560 requiring
15 responses to comments on a DEIS. Grow Smart! pointed to examples where "comment noted"
16 was used to respond to their comments, as well as comments made by Kitsap County
17 Department of Public Works, the Suquamish Tribe, and DOE.

18 145. The phrase "comment noted" is one which is commonly used in FEISs when
19 responding to comments which are considered nonsubstantive or unsubstantiated. The consultant
20 who prepared the FEIS considered many of Grow Smart!'s comments to fall within this
21 category.

22 146. Of 47 responses to the Kitsap County Public Works Department's comments, only
23 one response is "comment noted." Of 15 responses to the Suquamish Tribe comments, only one
24 response is "comment noted." Of 18 responses to DOE's comments, only two are "comment
25 noted." Of 31 responses to Grow Smart!'s comment letter, 12 are "comment noted" with no
26 further elaboration, 8 are "comment noted" with further elaboration, and 8 do not use the phrase
"comment noted."

27 FINDINGS REGARDING CRIMINAL ACTIVITY

28 147. Grow Smart! asserted that the commercial portion of the Olhava Master Plan
29 would result in an increase in criminal activity and thereby create an impact on police services
30 that was not adequately addressed in the FEIS.

31 148. The FEIS addresses the impacts of the Olhava Master Plan on police services on
32 pages III-72 and III-73. The FEIS acknowledges that the City will be required to supply an
33 additional 2.65 persons to meet the level of service established for the City police department
34 by the City's Comprehensive Plan. The FEIS states that increased revenues from property taxes
35 should be sufficient to accommodate growth in the police force.

1 149. Grow Smart! presented no specific evidence as to any actual increase in criminal
2 activity or as to how any claimed increase might impact police services. Grow Smart! did not
3 present any evidence that the increased property tax revenues from the Master Plan would be
4 insufficient to offset the cost of the necessary increase in police personnel.

5 MISCELLANEOUS SEPA FINDINGS

6 150. Numerous other minor factual and legal issues were raised during the course of
7 the SEPA appeal hearing. All substantial and substantive issues have been dealt with above.

8 D. FINDINGS REGARDING MASTER PLAN

9 FINDINGS REGARDING CONTENT OF MASTER PLAN APPLICATION

10 151. The Master Plan document consists of ten chapters as follows:

- 11 A. Chapter 1 entitled "Introduction and Administration Chapter," and which
12 introduces the master plan and sets forth proposed procedures for adoption and
13 amendment of the Master Plan;
- 14 B. Chapter 2 entitled "Master Land Use Plan," and which sets forth planning
15 objectives, land use descriptions, and planning area development guidelines;
- 16 C. Chapter 3 entitled "Drainage and Utilities," and which sets forth pre- and post-
17 development drainage conditions, and conceptual plans for sewer, water, and
18 storm water facilities;
- 19 D. Chapter 4 entitled "Environmental Resources," and which details the wetland,
20 wildlife, and vegetation inventories for the Olhava property;
- 21 E. Chapter 5 entitled "Traffic/Circulation Plan," and which summarizes traffic
22 impacts, circulation systems, and mitigation requirements for the proposed master
23 Plan;
- 24 F. Chapter 6 entitled "Development Phasing and Master Plan Amendment
25 Procedures," and which details the seven phases of the development over the ten
26 year buildout, with procedures for amending the Master Plan should the same
become necessary;
- G. Chapter 7 entitled "Fiscal Impact Analysis," and which provides the results of a
cost/benefit and market potential analysis;
- H. Chapter 8 entitled "Project Conformance," which sets forth the applicant's
analysis of the conformance of the project to the Poulsbo Comprehensive Plan;

- 1 I. Chapter 9 entitled "SEPA Checklist," and containing a copy of the environmental
2 checklist submitted for the proposed Master Plan, and
- 3 J. Chapter 10 entitled "Master Plan Attachments and Resources," and which lists
4 references for the information contained in the Master Plan.

5 FINDINGS REGARDING MASTER PLAN CRITERIA FOR APPROVAL - LAND USE

6 152. The Master Plan proposes land uses, intensities, and densities which are consistent
7 with the zoning categories established for the property by the Poulsbo Zoning Map.

8 153. Residential land uses will range in density from five to a maximum of ten units
9 per acre. The type of housing will be both single family detached and multiple family
10 townhomes and apartments. A maximum of 490 dwelling units is proposed. The total gross
11 acreage proposed for each residential area is sufficient to support the total number of proposed
12 units for that area.

13 154. Commercial development will include approximately 840,000 square feet of
14 enclosed space within 83 gross acres. Commercial uses will be primarily centered within the
15 south half of the northern 174 acre parcel and will be divided among three areas: approximately
16 470,000 square feet of primary commercial space, including large anchor tenants, will be sited
17 on 38 net acres located along the western property line and north of the main access road;
18 approximately 210,000 square feet of commercial pads for retail, hotel, fast food and service
19 tenants will be sited on 20 net acres located between Highway 3 and the primary commercial
20 area to the west; and approximately 160,000 square feet of commercial park including quality
21 sit-down restaurants and specialty shopping on 16 net acres located in the center of the northern
22 parcel between the primary commercial area to the south and the business park land to the north.

23 155. Business park development will include approximately 325,000 square feet of
24 enclosed space within 34 net acres. The business park will be located around the commercial
25 core and is intended to provide a transition in land use from commercial to residential lands and
26 the Olympic College Campus.

27 156. A branch campus for the Olympic Community College is proposed for the 20 acre
28 parcel located at the northwest corner of the Olhava Property. The first 10 acre campus phase
29 will include approximately 30,000 square feet of enclosed space within a two-story structure.
30 This structure is anticipated to house 900 full time equivalent students (or approximately 1,800
31 part time students). The second 10 acre phase will include an additional 20,000 square feet of
32 enclosed space.

33 157. An eight acre community park is proposed to be dedicated to the City in the
34 northeastern corner of the property, and three neighborhood parks are proposed to be developed
35 and maintained through covenants, conditions and restrictions (CC&Rs). A trail of over 7,000
36 feet in length is proposed to be located within perimeter buffers, and an improved bicycle path
system for 6,530 feet is also proposed to be so located.

1 158. During the hearing, Linda Berry-Maraist, an architect, testified that in her opinion
the land uses and layout proposed in the Master Plan would not fit on the Olhava property. Staff
and the applicant disagreed with Ms. Berry-Maraist, pointing out that even if the contention were
3 true, the Master Plan is conceptual and that development of individual phases could be
4 downsized to fit on the site or denied if subsequent detailed designs revealed that the anticipated
development would not fit.

5 159. The Master Plan is proposed to meet all applicable development standards in the
6 Poulsbo Municipal Code, including all zoning, critical areas and grading ordinances. Initially,
the application sought relief from zoning standards for building height and continuous roof plane.
7 Subsequently, the applicant withdrew these proposals, although reference is still made to height
and continuous roof line deviations in certain portions of the Master Plan.

8 160. The Master Plan contains detailed use lists for each type of land use proposed.
9 In general, the Master Plan is more restrictive than the Poulsbo Zoning Ordinance in terms of
10 the uses permitted, especially in residential areas where no conditional uses are provided for.

11 161. The Master Plan also includes general standards which are intended to unify the
Master Plan through common landscape, signage, and lighting standards, as well as through the
12 lists of permissible land uses and the detailed standards for each such use.

13 FINDINGS REGARDING MASTER PLAN CRITERIA FOR APPROVAL
14 - SURROUNDING USES

15 162. The existing and proposed land uses surrounding the Olhava Property are detailed
in previous findings. Very low density rural development is located to the west of the property
16 abutting the area proposed for medium density residential development in the Master Plan. The
Master Plan proposes a 50 foot wide buffer as a means of providing a transition and protecting
17 the rural land uses from the visual, aesthetic, light, noise, and glare impacts associated with the
18 medium density residential.

19 163. A 100 foot buffer as proposed by the Planning Commission, or some other
method of buffering enhancements would provide a better transition and better protection for the
20 rural areas. Such a buffer would enhance the compatibility of the medium density land uses in
the Master Plan with the low density rural development to the west.

21 FINDINGS REGARDING MASTER PLAN CRITERIA FOR APPROVAL
22 - CONSISTENCY WITH COMPREHENSIVE PLAN
23

24 164. The proposed configuration of land uses in the Olhava Master Plan conforms with
the location and configuration of land use designations set forth on the Comprehensive Plan Land
25 Use Map.

26 165. The Conformance Chapter of the Master Plan contains a detailed analysis of the
conformity of the Master Plan with the goals and policies of the Comprehensive Plan.

1 166. During the hearing, CarolAnn Stockton contended that the Master Plan was not
2 consistent with the Comprehensive Plan because the Olhava Property was not shown on the maps
3 set forth in the Comprehensive Plan relating to drainage, water, sewer, and roads. Ms. Stockton
4 also contended that the Master Plan was inconsistent with the Comprehensive Plan because
5 infrastructure which is necessary to serve the Olhava Master Plan is not shown on the
6 Comprehensive Plan maps.

7 167. Although the Olhava property is not shown on some of the Comprehensive Plan
8 maps, the Comprehensive Plan shows the property on the Land Use Map and contains numerous
9 references to the property. For example, the property is mentioned in the text concerning
10 Master Plans on p. I-6 of the Comprehensive Plan, is analyzed as part of the Traffic Analysis
11 Zones on page III-3 of the Comprehensive Plan, is shown as having wetland areas by the
12 Sensitive Areas Map incorporated in the Comprehensive Plan, and the Drainage Basin and
13 Aquifer Boundaries Maps. The Olhava property is also specifically discussed on pages III-36,
14 III-115, and III-117 of the Draft EIS for the Comprehensive Plan, indicating that the
15 environmental analysis behind the Poulsbo Comprehensive Plan considered the Olhava Property.

16 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
17 - DESIGN STANDARDS

18 168. Chapter Two of the Olhava Master Plan contains a detailed set of required and
19 encouraged design standards and site development standards.

20 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
21 - ALTERNATIVE STANDARDS

22 169. With the withdrawal of the applicant's initial request to deviate from the building
23 height and continuous roof plane requirements of the Poulsbo Zoning Ordinance, no alternative
24 design standards are proposed for the Master Plan. The Master Plan proposes to meet all
25 standards and requirements of the City's zoning, building, critical areas, and grading regulations.

26 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
- VEHICULAR AND PEDESTRIAN CIRCULATION PLANS

1 170. Chapter Five of the proposed Master Plan is the proposed vehicular and pedestrian
2 circulation plan for the project. Primary external access to the Olhava property will be from SR
3 3, SR 305, Finn Hill Road, and Viking Avenue. The on-site internal street system will consist
4 of the extension of SR 305 into the project, a frontage road serving the commercial and business
5 area in the northern parcel, and local access streets serving the college campus and residential
6 areas.

7 171. Extensive traffic modelling and studies were prepared by the applicant's traffic
8 consultant in conjunction with the EIS for the Master Plan, and are set forth in the Technical
9 Appendices to the Draft EIS. Specific mitigation measures, including proportionate shares and
10 contributions to a number of external intersection and transportation corridor improvements were
11 recommended by the applicant's consultants in order to mitigate the probable, significant,

1 adverse impacts on those intersections and transportation corridors. The proportionate shares
2 of the specific intersection and corridor improvements based upon the anticipated trips to be
3 generated by the project development are described in detail in the FEIS on pages III-112 and
4 III-113.

5 172. Design of all streets, intersections, sidewalks, and bicycle facilities are proposed
6 to meet City standards or the standards of those agencies with jurisdiction over the particular
7 improvements, i.e., WSDOT of Kitsap County for certain off-site improvements outside City
8 limits. The Master Plan contains roadway section diagrams for each type of street within the
9 Master Plan property.

10 173. The Master Plan proposes to augment pedestrian, bicycle, and equestrian trail
11 routes by providing internal pedestrian/bicycle paths and linkages to adjacent off-site facilities.

12 174. The Comprehensive Plan Transportation Map identifies a collector roadway along
13 the north and northeastern property lines of this site. The traffic analysis conducted for the
14 Master Plan and the testimony of the City staff during the hearing indicate that this collector
15 roadway is not needed to serve the Olhava development.

16 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
17 - UTILITIES AND DRAINAGE

18 175. The drainage and utility plans contained in the Master Plan are conceptual in
19 nature and more detail will be provided during subsequent design in connection with the
20 development phases. As more detailed design occurs, the effects of water mounding,
21 groundwater recharge, and the draw down of groundwater which supplies private wells in the
22 vicinity of the vicinity of the Olhava Master Plan could be identified and addressed.

23 176. Water mounding could result from the implementation of the drainage system
24 proposed for the Olhava property. Groundwater could rise up to one foot above existing levels
25 during peak flows from the Olhava drainage system. This water mounding could have an
26 adverse effect on downstream properties by more heavily saturating their soils and making them
wetter overall during peak weather periods.

177. The drainage system will affect groundwater recharge and the draw down of
groundwater in the vicinity of the Olhava Master Plan property. Numerous private wells
drawing from both shallow and deep aquifers exist in the vicinity of the Olhava site. The water
sources from which these some of these wells draw could be down gradient from the Olhava
property and could be affected by alterations of subsurface groundwater patterns associated with
the infiltration system proposed to address the Olhava drainage. No identification or study of
down gradient wells has been conducted for the drainage plans at the Master Plan level of detail.
Such identification and study could be conducted as part of the phased development and
environmental review of the Olhava project as the drainage system design becomes more refined.

178. In order to obtain adequate water to serve the Olhava Master Plan development,
the City will have to purchase water from the Kitsap PUD. The existing interlocal agreement

1 between the two agencies is anticipated to provide sufficient water for development of the
2 Olhava Master Plan through Phase "e." Unless additional water rights are secured by the Kitsap
3 PUD and unless an amended interlocal agreement is entered into by which Kitsap PUD will
4 provide additional water to the City, water may not be available to serve the Olhava Master Plan
5 beyond Phase "e."

6 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
7 - BINDING SITE PLANS AND SUBDIVISIONS

8 179. No binding site plan or subdivision applications are proposed for processing with
9 the Olhava Master Plan at this time.

10 FINDINGS REGARDING MASTER PLAN APPROVAL CRITERIA
11 - SEPA CONDITIONS

12 180. The original staff report to the Planning Commission and City Council (Exhibit
13 144) proposed 97 conditions, 76 of which were taken from the mitigation measures identified
14 and suggested in the FEIS for the Olhava Master Plan.

15 181. Many of the conditions have been negotiated and agreed to by the applicant, the
16 City Staff, and other agencies most affected by the conditions. Requests were made during the
17 hearing to change some of the conditions, however, and some conditions remained in contention
18 throughout the hearing.

19 Tree Survey

20 182. Condition 13 in the staff report (Exhibit 144) proposed that a tree survey be
21 completed by the applicant with each application for site plan review and/or preliminary plat.
22 This mitigation measure related to unique plant species is generally recommended by the FEIS
23 on page III-11, although not in the same words as the condition.

24 166. The applicant requested that Condition 13 be modified to eliminate the requirement
25 for a tree survey in areas proposed for roadways, building footprints, and cuts and fills greater
26 than one foot above or below grade. The applicant contended that since trees could not be
preserved in these areas, there was no need to survey them for preservation.

183. Staff responded by suggesting a modification of Condition 13 to eliminate the
requirement for tree surveys in roadway areas, but to keep the requirement for building
footprints areas and areas of cut and fill.

184. A tree survey could be a useful tool for determining whether there are unique
species of trees located on the site, whether the same are in roadway areas, or within proposed
building footprints or cuts and fills. If unique species of trees are identified, then roadways
could be redesigned to the extent possible to preserve those unique species. If tree species in
building footprint areas and on cuts and fills are not unique, site design could still be sensitive
to and minimize removal of significant trees.

Critical Areas

185. Proposed Condition 14 in Exhibit 144 specifies that the applicant will be required to comply with the City's Critical Areas Ordinances in effect at the time of site plan or preliminary plat approval. This condition is identified as a mitigation measure on page III-11 of the FEIS. The applicant requested that the requirement for meeting critical areas ordinances be deleted to recognize development rights vested by the Master Plan.

Erosion and Sedimentation Control

186. Condition 17(b) in Exhibit 144 requires that setbacks, critical areas and their buffers, trees, and drainage course be clearly marked to protect those areas from development. This mitigation measure is suggested on page III-24 of the FEIS to protect against sedimentation and erosion control impacts during construction. The condition as proposed does not specify the means that will be used to protect these areas.

187. Condition 17(h) as proposed in Exhibit 144 requires that no more than 150 feet of trench be open to facility underground utility construction at any one time. This mitigation measure is referred to on p. III-24 of the FEIS, although the FEIS suggest that a 500 foot limit is appropriate. The applicant proposed to substitute the 500 foot requirement in the FEIS for the 150 foot limitation suggested by staff, arguing that the inflexibility of this condition would render utility construction inefficient and more costly. Staff responded by suggesting that the condition be clarified as set forth in Exhibit 207 and 212, in order to meet WSDOT/APWA standards, which require that the maximum length of the excavation be 150 feet unless approved by the public agency's engineer.

Windbreaks

188. Staff and the applicant agreed during the hearing that proposed Condition 28 should be modified to read as set forth in Exhibit 212. Condition 28 is intended as a mitigation measure for air quality impacts and is specifically referenced on p. III-38 of the FEIS.

Buffer Widths

189. Condition 31 as set forth in Exhibit 144 requires a 100 foot buffer on the west side Planning Area 9, the medium density residential area, as it abuts the existing low density rural uses to the west. The FEIS recognizes the need for an effective buffer in order to protect the existing low density residential uses from the visual, aesthetic, light, glare, and noise impacts associated with the medium density area in the Master Plan. The applicant proposed to delete references to the 100 foot buffer in favor of a requirement that the applicant submit a buffer enhancement plan to provide an effective visual screen. Staff responded with a request that the Condition 31 be modified to require the 100 foot buffer unless an alternative buffer enhancement is approved by the City.

190. Condition 33 in Exhibit 144 proposes a 50 foot buffer along the western boundary of the primary commercial area. This buffer is suggested as a mitigation measure on p. III-45

1 of the FEIS. The applicant proposed to delete this buffer, pointing out that it requires screening
2 between the primary commercial area and the business park property, similar uses that should
3 not require a buffer.

4 191. In response to the applicant's request, the staff proposed to clarify proposed
5 Condition 33 in order to only require buffering on the west side of the primary commercial area
6 where it abuts land used for residential purposes.

7 Fire Impacts

8 192. The Olhava Master Plan will have a significant adverse impact on the provision
9 of fire service at acceptable levels. The FEIS documents the impacts of the project using
10 nationally and locally recognized standards which use a 1.5 mile radius from a fire station and/or
11 a five minute response time as a measure of fire service adequacy. The FEIS concludes that if
12 the 1.5 mile radius standard is used, the City would have to provide service from the City's
13 Clear Creek Station (Station 74) in order to serve any portion of the Olhava property. The Clear
14 Creek Station currently houses one engine, and is unmanned by paid fire fighters. If the Clear
15 Creek Station could be used to provide service, all of the northern 174 acre portion of the
16 Olhava property could be served using the 1.5 mile radius standard, but only a small portion of
17 the southern 41 acre parcel (where single and multi-family residential uses are located) can be
18 served. The remainder of the southern parcel cannot be served by any City fire station in a
19 manner which meets the 1.5 mile radius standard.

20 193. The FEIS also concludes that, using the five minute response time standard, only
21 the southern 41 acre parcel can be served by the City's main fire station, which is the only
22 manned station that could respond. The northerly 174 acre parcel is not within a five minute
23 response time from any City fire station. Manning the Clear Creek Station is the only possible
24 method of meeting the five minute response standard on the northerly 174 acres using existing
25 fire station facilities.

26 194. The FEIS proposes that the fire service impacts of the Olhava Master Plan be
mitigated by requiring the applicant to fund a needs assessment in order to determine whether
the Clear Creek Station can be expanded and manned with a full time engine company in order
to ensure fire service to the Olhava property can meet standards. The FEIS concludes that the
development should pay a fair share of the costs of manning the Clear Creek Station if it can
be so manned. The FEIS further proposes that if the needs assessment shows that the Clear
Creek Station cannot be so manned, that the study evaluate alternatives for fire impact mitigation
and that the development pay a fair share of the cost of any alternative that is implemented.
Condition 37 in Exhibit 144 incorporates this recommended mitigation into a development
approval condition for the project.

195. The applicant objects to the condition and proposed that it be deleted. The
applicant's argument is that tax revenues for the project will pay for the necessary personnel to
man the Clear Creek Station if that is what is required.

1 196. According to the testimony of representatives of the Poulsbo Fire Department and
2 the Kitsap County Fire Protection District 18 Commissioners, Condition 37 may be too limiting
3 in that it assumes that the manning of the Clear Creek Station is the preferable means of
4 providing fire service to the Olhava property and vicinity. The Fire Department and the District
5 requested that the condition be modified to allow more flexibility in the results of the needs
6 assessment.

7 Traffic and Transit-Related Conditions

8 197. Conditions 48-53 proposed in Exhibit 144 condition the project upon the
9 completion or contribution of funding for a number of traffic improvements. The improvements,
10 and the applicant's need to construct them or contribute funds toward their construction is
11 extensively analyzed in the traffic reports and analysis contained in the Technical Appendices
12 to the FEIS. Each improvement to which the applicant is required to contribute under
13 Conditions 48-53 is directly impacted by the traffic generated by the Olhava Master Plan and
14 the applicant is required to contribute a proportionate share of the cost of these improvements
based upon the number of trips added to the roadway by the Olhava Master Plan as they relate
to the total trips on the roadway. The proposed conditions are SEPA mitigation measures directly
taken from the FEIS.

15 198. The applicant proposed to revise the proposed conditions 48-53. The major thrust
16 of the request was to delete projects or contributions to projects which are or may be fully
17 funded from other sources. Staff recommended no changes in the conditions 48-53.

18 199. Proposed Condition 54 in Ex. 144 required the applicant to obtain final design
19 approval for the SR 3 access break prior to any grading of the site. The applicant requested that
20 this condition be deleted, as WSDOT has already approved the general plan for the access break
21 and requiring final design approval prior to any grading will delay immediate construction of
22 the Olympic College, which is dependent upon the grading for construction access. The
23 applicant also pointed out that the initial site grading will not use the SR 3 access break. Staff
24 agreed that clarification of the condition was necessary to recognize that internal site grading
25 could occur prior to final access break design approval, but urged Council to retain the
requirement that final design of the access break be approved prior to grading in the WSDOT
right-of-way.

26 200. Proposed Conditions 55, 56, and 82 were the subject of considerable give and take
during the hearing and considerable negotiations between staff, the applicant, and Kitsap Transit.
Staff's final proposal for these conditions is set forth in Ex. 212. The original conditions were
based upon mitigation measures for transit related impacts specified on p. III-117 and III-118
of the FEIS. Kitsap Transit proposed additional modifications in Ex. 214, with more specifics
on the number of park-and-ride spaces that could be reserved within the parking areas proposed
for the Master Plan.

201. Proposed Condition 93 in Exhibits 211 and 212 would require the applicant to
dedicate right-of-way for a collector roadway across the northern and northeastern boundary of
the Olhava Master Plan property, pursuant to Transportation Policy 4 in the Comprehensive

1 Plan. The collector is not required to serve the Olhava development or to mitigate any traffic
2 impact of the Olhava development.

3 Building and Engineering Conditions

4 202. City staff proposed a number of technical building and engineering conditions to
5 be Conditions 85 - 92 and as shown on Exhibits 211 and 212. These conditions were agreed
6 to by staff and the applicant.

7 Drainage and Groundwater

8 203. Kent Olsen, an owner of property southeast of the Olhava site and located between
9 Viking Avenue and Liberty Bay, testified, with the assistance and support of a drainage
10 engineer, that his property receives drainage from the SR 3/SR 305 interchange area by way of
11 a series of channels, ditches, and culverts. Mr. Olsen asserted that his property has become
12 considerably wetter in recent years due to an increase in this drainage and that several wetlands
13 had been created on his property and that owned by Eileen Hansen as the result of that drainage.

14 204. Mr. Olsen and his engineer did not dispute the adequacy of the drainage analysis
15 done in the Olhava Master Plan FEIS, but argued that the concentration and infiltration of
16 drainage on the Olhava site as the result of the drainage plan would result in increased ground
17 and surface water on the Hansen and Olsen properties.

18 205. Mr. Olsen proposed a series of conditions for the Master Plan approval and which
19 are set forth on Exhibit 157. These conditions generally seek a net increase of zero in ground
20 and surface water flowing to downstream properties and the result of the Olhava development,
21 the posting of a \$2,000,000 bond to protect against downstream owners receiving any such
22 water, the forced purchase of easements from downstream owners, and the filling of the
23 wetlands on the Hansen and Olsen properties.

24 Parks

25 206. The Parks and Recreation Director requested that a condition be added to clearly
26 require dedication of the eight (8) acre community park to the City and to define improvements
to be made to the park property by the applicant prior to dedication. The applicant did not
object to this added condition.

27 Limiting Commercial Uses

28 207. Winmar submitted a letter requesting that the commercial uses on the site be
29 limited to a range of between 250,000 square feet and 350,000 square feet. Winmar's request
30 was based upon its argument concerning adequacy of the FEIS and the ability of the North
31 Kitsap Trade Area to absorb the commercial space in Olhava. Winmar provided no further
32 testimony on this subject in the Master Plan hearing.

1 FINDINGS REGARDING COMMUNITY OPPOSITION

2 208. The overwhelming majority of citizens who spoke at the hearings or who
3 submitted letters for the record were opposed to the Olhava Master Plan.

4 II. CONCLUSIONS

5 A. PROCEDURAL CONCLUSIONS

6 1. The City Council has jurisdiction over this matter. PMC 16.04.250 provides that
7 SEPA appeals, including appeals related to the adequacy of an FEIS, are to be heard by the City
8 Council. PMC 18.32.090 provides that the City Council shall approve, approve with
modifications, or disapprove all master plan applications.

9 2. The three EIS adequacy appeals were timely filed. PMC 16.04.250(B) requires
10 all such appeals to be filed within ten calendar days from the date of the decision appealed from.
11 The FEIS was issued on May 27, 1997 and the appeals were received on June 6, 1997, the tenth
day after issuance. The appeals were accompanied by the appropriate appeal fees.

12 3. All notices of the hearing on the EIS adequacy appeals and the Master Plan
13 Application were properly given.

14 4. The hearing on the EIS adequacy appeals and the master plan application was held
as a single simultaneous hearing as required by RCW 43.21C.075(3)(b). Although testimony
was taken on the EIS adequacy issues first, no decision was made on any issue until all
testimony was taken both on EIS adequacy and the master plan.

16 5. The hearing met the requirements of RCW 43.21C.075(c) in having all testimony
17 on EIS adequacy under oath, providing for a taped transcript, and providing for the adoption of
18 these findings and conclusions.

19 B. CONCLUSIONS REGARDING EIS ADEQUACY

20 GENERAL CONCLUSIONS REGARDING STANDARDS FOR EIS REVIEW

21 6. The adequacy of an EIS is to be judged by what the courts have termed "the rule
22 of reason." Under this rule, an EIS is adequate if the environmental effects, reasonable
23 alternative, and potential mitigation measures for the proposal are reasonably disclosed,
24 discussed, and substantiated with supporting opinions and data. An EIS need not address every
remote and speculative consequence of an action; only probable, significant, adverse
environmental consequences must be addressed.

25 7. In every SEPA appeal, the procedural determination of the City's SEPA
26 Responsible Official is entitled to "substantial weight." The Council is required to give
substantial weight to the Responsible Official's determination that the FEIS is adequate.

CONCLUSIONS REGARDING FEIS ALTERNATIVES ANALYSIS

8. SEPA defines a reasonable alternative as one which could feasibly attain or approximate a proposal's objectives, but at a lower environmental cost or decreased level of environmental degradation.

9. Alternative Three in the FEIS meets the definition of reasonable alternative set forth in SEPA. Alternative Three describes and analyzes a project which would represent almost half of the intensity of the proposed Master Plan. With the corrected information on Water and Sewer Fees analysis and the correction to Table III-32 made in Exhibit 110, Alternative Three has been shown to have lower environmental costs and to result a decreased level of environmental degradation than Alternative One - the Proposed Master Plan.

10. The range of alternatives contained in the FEIS meets the "rule of reason" applied by the courts to assess the adequacy of alternatives analysis in the EIS. Under the rule of reason, the range of alternatives is adequate if it provides the City Council with a reasoned choice. The alternatives in the FEIS provide a sufficient range from which reasoned choices can be made. Alternative Five - the No Action Alternative, and Alternative Three - Less Intense Development, both have less environmental impacts than does Alternative One - the Proposed Project. Alternative Two - Multiple Master Plans, and Alternative Four - More Intense Project, both have greater environmental impacts than does Alternative One-the Proposed Project. The proposed project is thus a mid-point alternative, which lies within a broader range of alternatives described as Alternatives One through Five. This range of alternatives allows the Council to see a complete range of impacts and is sufficient to allow the Council to make reasoned choices regarding the impacts of the proposal. The alternatives analysis is adequate under the rule of reason.

11. The fact that the alternatives analysis is adequate under the rule of reason disposes of Grow Smart's argument that the alternatives analysis serves merely to justify the project. The range of alternatives is sufficient for the Council to understand the impacts of the Olhava proposal and to make reasoned choices. That is all that is required.

12. Alternative sites were not required to be evaluated in the FEIS. Under WAC 197-11-440, an EIS is required to evaluate alternative sites only when it is a public project that is being proposed. Where a proposal is for a private project on a specific site, only the no action alternative and other reasonable alternatives for achieving the applicant's objective on the same site need to be considered. Although the Olympic College Campus is proposed for the northwestern portion of the site, the Olhava Master Plan is a private project under WAC 197-11-780 because it is "primarily initiated or sponsored by an entity other than an agency," i.e., by Olhava Associates, L.P.

13. The private proposal definition found in WAC 197-11-780 also negates Grow Smart's argument that the Olhava Master Plan is a public project because the same consultant who did the EIS on the Olhava Master Plan also prepared the City's Comprehensive Plan and Zoning Ordinance, and the EIS on the latter two documents. The Olhava Master Plan is

1 primarily sponsored by the Olhava Associates, L.P., a private party. It is therefore a private
2 project regardless of who prepared the EIS.

3 14. Grow Smart!'s argument that the project is a public project under WAC 197-11-
4 928 is without merit. That regulation provides that where public and private interests are too
5 intertwined to determine the primary sponsor, the project shall be considered public. The
6 primary sponsor here is Olhava Associates, and the mere fact that the College is included or that
7 the project fits the land uses in a Comprehensive Plan and Zoning Ordinance prepared for the
City by the same consultant who prepared the EIS does not change the primarily private
sponsorship. There is no inextricable intertwining that would require this project to be treated
as a public project for purposes of the alternatives analysis.

8 15. For the reasons described above, the Suquamish Tribe and Grow Smart! failed
9 to meet their burden of proving that the alternatives analysis in the FEIS was inadequate.

10 CONCLUSIONS REGARDING FEIS ERRORS

11 16. An EIS is not required to be a perfect document and the fact that errors may exist
12 does not necessarily mean that the FEIS is inadequate. The Council was not misled by the
13 errors in the cash flow analysis with respect to Alternatives Three and Four. Had the incorrect
14 information concerning the water and sewer revenues resulted in the FEIS underestimating the
impacts of these alternatives, the errors in cash flow calculation might have resulted in a material
lack of disclosure. Since the corrected information showed that the FEIS had overestimated the
impacts, the errors were not material and did not mislead the Council in any way.

15 CONCLUSIONS REGARDING HISTORIC AND CULTURAL RESOURCES

16 17. Historic and cultural preservation is an element of the environment under WAC
17 197-11-444. Where a project would have a probable, significant, adverse impact on historic and
18 cultural preservation, it should be addressed in an EIS.

19 18. To the extent that their EIS adequacy appeals were based upon the lack of a
20 historic or cultural resources survey, the Suquamish Tribe and Grow Smart! failed to meet their
21 burden of proving the FEIS inadequate. Grow Smart! and the Suquamish Tribe presented no
22 evidence that any historic or cultural resources are located on the Olhava property and the FEIS
23 does not indicate the presence of any such resources. Absent such evidence, there is no basis
for finding that a probable, significant, adverse, environmental impact exists that was not
analyzed in the FEIS.

24 CONCLUSIONS REGARDING DRAINAGE AND EROSION CONTROL IMPACTS

25 19. The Master Plan Chapter of the Poulsbo Municipal Code, Chapter 18.32, requires
26 a conceptual drainage plan for the site. The drainage plan provided with the Olhava Master Plan
is thus not a final design, nor is it required to be. Additional analysis of both on and off-site
impacts will be conducted as part of the further design review process and as part of the phased
environmental review for this project.

1 20. The Suquamish Tribe and Grow Smart! failed to meet their burden of showing
2 that the Olhava Master Plan would have a probable, significant, adverse drainage impact which
3 was not reasonably disclosed, discussed, and substantiated in the FEIS. Infiltration appears to
4 be a feasible method of drainage collection and disposal on the property and, if the infiltration
5 system is designed, constructed, and maintained properly, will provide adequate means of
6 ensuring that storm water is cleansed of pollutants. No evidence was presented in order to show
7 that infiltration was not feasible or that the system as proposed and as proposed to be conditioned
8 would leave an unmitigated adverse environmental impact on Dogfish Creek, Johnson Creek,
9 or Liberty Bay that was not analyzed in the FEIS.

10 21. Grow Smart! failed in its burden of showing that temporary erosion control
11 measures proposed in the FEIS and the Master Plan would be ineffective or would result in an
12 unmitigated adverse impact that was not reasonably discussed, disclosed, and substantiated in
13 the FEIS. Temporary erosion control will be required during construction and is critical to
14 maintaining water quality downstream, but Grow Smart! failed to show that such controls could
15 not be accomplished or enforced.

16 22. The FEIS reasonably discloses, discusses, and substantiates the drainage impacts
17 of the Olhava Master Plan and is therefore adequate in this respect.

18 CONCLUSIONS REGARDING KITSAP COUNTY POPULATION 19 GROWTH ASSUMPTIONS

20 23. Winmar and Grow Smart! failed to meet their burden of proving that the Kitsap
21 County population growth assumptions used to conduct the Commercial Need and Economic
22 Analysis contained in the FEIS were incorrect. The population growth assumptions are
23 supported by the historical data summarized in Technical Appendix H to the DEIS and by the
24 April 1, 1997 population estimates provided by OFM and admitted as Exhibit 86. Winmar and
25 Grow Smart! failed to prove that this data was inaccurate or was used improperly.

26 24. The population growth assumptions in the FEIS do not render it inadequate.

CONCLUSIONS REGARDING ECONOMIC IMPACTS

 25. SEPA provides that economic competition, in and of itself, is not a subject that
is required to be evaluated in an EIS. To the extent that economic competition would result in
a probable, significant, adverse impact on one of the elements of the environment recognized
by SEPA, however, it may be considered. Such an impact could be shown in one of two ways:
(1) a significant adverse impact could occur if the economic competition would result in
decreased project revenues, thereby affecting the degree to which tax revenues from the project
will mitigate the project's impacts on police, fire, and other governmental services; or (2) a
significant adverse impact could occur if the economic competition fostered by the project would
result in business closures or economic blight in areas which compete with the project, thereby
impacting such things as aesthetics and the need for police, fire, and other governmental services
in those areas.

1 26. Winmar failed to meet its burden of proving that the economic competition
2 fostered by the Olhava Master Plan project would result in either of the above-referenced
3 impacts. Although Winmar's economic consultant gave his opinion that the market would not
4 absorb the Olhava project or provide the sales revenue for the project that would support the
5 necessary services, Winmar did not conduct any independent study or present any independent
6 analysis to support this contention. Winmar specifically did not conduct the residual market
7 analysis its consultant contended would demonstrate the lack of demand for the shopping
8 opportunities presented by Olhava. Winmar's contention that the North Kitsap Trade Area was
9 drawn too broadly, thereby overestimating sales potential that could be taken up by Olhava was
10 unsupported by any independent study or analysis which specified what the actual Trade Area
11 should be. Finally, Winmar did not present any independent analysis or study which showed
12 the extent to which project tax revenues would be overstated, or how such an overstatement
13 would impact any of the environmental elements which the Council is allowed to consider under
14 SEPA. Without such an independent analysis, the Council cannot conclude that the analysis in
15 the FEIS is flawed as to the sales projections for the Olhava project or that the FEIS fails to
16 reasonably disclose, discuss, and substantiate the environmental effects of the proposal.

17 27. Winmar also failed to meet its burden of proving that the economic competition
18 fostered by Olhava would impact Silverdale, downtown Poulsbo, or any other retail center to
19 the extent necessary to cause economic blight or to have a probable, significant, adverse impact
20 on any of the elements of the environment in those geographic areas. Winmar did no
21 independent studies or independent analysis which concluded that the Olhava project would cause
22 economic blight in these areas or have any significant impact on aesthetics, police, fire, or other
23 governmental services, or any other element of the environment that the Council can consider.
24 Winmar's consultant did not conduct any residual market analysis which would show this
25 impact, and no showing was made that a residual market analysis would be helpful in this regard
26 because such an analysis only measures current market conditions, and not the type of projected
27 market conditions that must be used to analyze a project such as Olhava, which is built out over
28 time. Winmar's consultant did not identify specific boundaries for the smaller North Kitsap
29 Trade Area which he contended would result in less potential sales than the FEIS assumes to be
30 available to support the Olhava project, downtown Poulsbo, and Silverdale. Without such
31 analysis, the Council cannot conclude that the FEIS analysis concerning impacts on downtown
32 Poulsbo or Silverdale is flawed or that the FEIS does not reasonably disclose, discuss, and
33 substantiate the environmental effects of the Olhava Master Plan.

34 CONCLUSIONS REGARDING SCHOOL IMPACTS

35 28. The EIS was properly scoped to exclude school impacts. The North Kitsap School
36 District, an agency with expertise regarding schools, determined that the project would not have
37 any significant school impacts if impact fees are paid. In addition, the record reflects that
38 \$2,580,000 per year will be generated from property taxes and sales taxes from the Olhava
39 Master Plan Development for school purposes. SEPA requires the City to take such taxes into
40 account when determining the impacts of a proposal. Since the applicant has agreed to pay the
41 North Kitsap School District's impact fees and the project permit is proposed to be so
42 conditioned, the impact fees and the taxes generated support the conclusion that the project will
43 not have a probable, significant, adverse impact on schools.

1 29. Grow Smart! failed in its burden of showing any probable, significant, adverse
2 impact on schools that should have been addressed in the FEIS. Grow Smart! presented
3 concerns, but no actual, tangible evidence that there were unmitigated impacts.

4 CONCLUSIONS REGARDING PUBLIC TRANSIT IMPACTS

5 30. The FEIS and its Technical Appendices reasonably disclose, discuss, and
6 substantiate the impacts of the Olhava Master Plan on public transit. The FEIS and the traffic
7 study in Appendix I of the Technical Appendices acknowledge that as part of the transportation
8 impacts of the Master Plan, transit routes, stops, and park-and-ride lots or spaces, will be
9 impacted and require mitigation.

10 31. Grow Smart! failed to meet its burden of showing that the analysis contained in
11 the FEIS was inadequate to disclose, discuss, and substantiate the transit-related impacts of the
12 Olhava Master Plan. Grow Smart!'s argument went more to the adequacy of the proposed
13 mitigation than the adequacy of the FEIS analysis and is therefore more properly dealt with as
14 part of the Master Plan conditions.

15 CONCLUSIONS REGARDING PHASED ENVIRONMENTAL REVIEW

16 32. Phased review is intended to allow a government agency to study only those
17 environmental issues which are ripe for decision in the early stages of a project, while reserving
18 the right to further study the environmental impacts of the project when they become more
19 apparent in later stages involving more detail. SEPA authorizes the use of phased review when
20 the sequence is from an environmental document on a specific proposal at an early stage to a
21 subsequent environmental document at a later stage.

22 33. Phased environmental review is appropriate in the case of the Olhava Master Plan
23 for two reasons. First, the Master Plan provides an overall concept for the development of the
24 site which is subject to refinement at later stages. In order to actually develop the site, the
25 project proponents may will be required to submit site plan applications for each phase of
26 development and subdivision applications and building and grading permits for development
within each phase. These latter applications will provide much more detail concerning the
project and its design than the Master Plan does. The sequence for phased review is therefore
from the Master Plan EIS at this early stage to subsequent environmental checklists and other
environmental documents at the more detailed subdivision, building permit, and grading permit
stages.

34. The second reason why phased review is appropriate is the anticipated ten year
buildout of the project. Given this projected timeline, it is impractical to determine, on an
abstract basis, such things as the rate at which the project will develop, the growth of the tax
base which will support the needed public services, the evolution of technologies that could be
used to mitigate the impacts of the proposal, and the changes in background conditions that could
occur over the lifetime of the development. The FEIS identifies the potential impacts and
provides a framework for further environmental review. Phased review is therefore a sufficient
method of dealing with the environmental review of this project.

1 35. Grow Smart! failed to provide any evidence that phased environmental review
2 would not be appropriate for evaluating the impacts of this proposal.

3 CONCLUSIONS REGARDING FISH AND WILDLIFE IMPACTS

4 36. Grow Smart! failed to prove the need for a four seasons wildlife survey. No
5 evidence was presented to show that such a survey would disclose the presence of any fish or
6 wildlife species not considered in the FEIS. Grow Smart! failed to prove that a four seasons
7 survey would provide any more information than what the FEIS contains from the biological
resources study and field assessment that was done. The fact that a four seasons survey was not
conducted does not render the FEIS inadequate.

8 37. Grow Smart! failed to prove that any threatened, endangered, or sensitive wildlife
9 species are present on the Olhava property. While the pileated woodpecker does inhabit the
10 Puget Sound region, there was no evidence presented that pileated woodpeckers inhabit or have
11 actually been observed on the Olhava property. The FEIS was not required to address impacts
on the pileated woodpecker or any other species not present on the site in order to be adequate.

12 38. Grow Smart! failed to prove that the loss of wildlife habitat on site was not
13 reasonably disclosed, discussed, and substantiated by the FEIS. The FEIS recognizes that there
14 will be an inevitable loss of wildlife habitat as the result of development of the Master Plan and
the FEIS recommends mitigation measures which address preservation of open space and
preservation and enhancement of wetlands, which are the only priority habitats on the property.

15 39. The discussion, disclosure, and documentation of fish and wildlife impacts in the
16 FEIS is reasonable and adequate. The FEIS is therefore adequate on fish and wildlife habitat
impacts.

17 CONCLUSIONS REGARDING UNIQUE PLANT SPECIES IMPACTS

18 40. Grow Smart! failed to prove that the Olhava Master Plan will have any probable,
19 significant, adverse impact on sensitive plant species. The mountain hemlock noted in the FEIS
20 is not actually present on the site and its inclusion in the FEIS was a typographical error.
21 Western hemlock was the dominant species found on site and western hemlock is not a rare
species.

22 41. The FEIS is adequate as to its disclosure, discussion, and substantiation of impacts
23 to plant species.

24 CONCLUSIONS REGARDING IMPACTS ON DOMESTIC WATER SUPPLIES

25 42. Grow Smart! failed to prove that the FEIS fails to reasonably disclose, discuss,
26 and substantiate the impacts of the proposed Master Plan on domestic water supplies. The FEIS
clearly recognizes the potential lack of water availability for any development past phase "e"
unless additional water rights are acquired by Kitsap PUD and an amended interlocal agreement
is entered into to provide the City with the additional water necessary to serve the remainder of

1 the Master Plan proposal and other anticipated development. The FEIS also recognizes and
2 recommends as mitigation that no development of the Olhava Master Plan beyond phase "e" be
3 allowed until the additional water rights are acquired and the interlocal agreement is amended.

4 43. Grow Smart! also failed to prove that the effect of the proposal on private
5 domestic wells in the vicinity of the proposal was inadequately disclosed, discussed, and
6 substantiated at this stage of the development process. The FEIS does disclose and discuss the
7 fact that groundwater recharge and draw down of groundwater will be affected as the result of
8 the Master Plan development. If further study is needed, it can and should be required as a
9 condition of Master Plan approval and considered in any phased environmental review of
10 development associated with the Master Plan.

11 44. The FEIS reasonably discloses, discusses, and substantiates the environmental
12 effects of the proposed Master Plan on domestic water supplies. The FEIS is adequate on the
13 domestic water supply impacts.

14 CONCLUSIONS REGARDING TRAFFIC IMPACTS

15 45. Grow Smart! failed to meet its burden of proving that the Olhava Master Plan will
16 have either a probable, significant, adverse traffic impact that was not analyzed in the FEIS, or
17 that the FEIS fails to reasonably disclose, discuss, or substantiate the traffic impacts of the
18 Olhava Master Plan.

19 46. Extensive analysis of transportation impacts and the need for transportation
20 facilities in order to serve the Olhava property is contained in Appendix I to the Technical
21 Appendices of the Draft EIS and in the FEIS itself. While Grow Smart! questioned the accuracy
22 of the studies and the sufficiency of the proposed mitigation, Grow Smart! presented no technical
23 studies or evidence of its own to demonstrate that the traffic analysis in the FEIS and the
24 Appendices to the DEIS was flawed. Grow Smart! likewise did not present any analysis which
25 showed that the FEIS inadequately addressed impacts to Finn Hill Road or Terasse Drive.
26 Without such evidence, Grow Smart! failed to prove the inadequacy of the FEIS.

47. The FEIS reasonably discloses, discusses and substantiates the traffic impacts of
the proposal. The FEIS is adequate in this respect.

21 CONCLUSIONS REGARDING RESPONSES TO COMMENTS

22 48. WAC 197-11-560 provides that comments may be responded to by (a) modifying
23 alternatives, (b) developing and evaluating additional alternatives, (c) supplementing, improving
24 or modifying the analysis, (d) making factual corrections, or (e) explaining why no response is
25 warranted. Comments can be responded to individually, as a group, cross-referenced to other
26 responses or changes in the FEIS, or by any other reasonable means. The adequacy of
responses to comments must be judged by the same rule of reason that applies to all adequacy
questions regarding an FEIS.

1 49. The responses to comments in the FEIS are adequate. "Comment noted" is a
2 response that is commonly used to respond to comments which are nonsubstantive or
3 unsubstantiated. Moreover, most if not all of those subjects for which "comment noted" is used
4 as a response are dealt with in detail in the FEIS or in responses to other comments. Under the
5 rule of reason, the responses as a whole adequately respond to all substantive issues.

6 CONCLUSIONS REGARDING CRIMINAL ACTIVITY

7 50. Grow Smart! failed in its burden of proving that criminal activity would increase
8 as a result of the Master Plan to a level where there would be a probable, significant, adverse
9 impact on police services that would not be mitigated by tax revenues.

10 51. Grow Smart!'s testimony on increased criminal activity was simply a generalized
11 concern that such activity would occur. Generalized concerns about criminal activity do not
12 provide a basis for determining that the FEIS is inadequate. Without specific evidence that the
13 project will generate criminal activity in excess of that inherent in any commercial development,
14 or that such activity will have a probable, significant, adverse impact on police services, there
15 is no basis to find that the FEIS is inadequate.

16 52. The FEIS reasonably discloses, discusses and substantiates with supporting
17 opinions and data its conclusions as to the impacts of the Olhava Master Plan on police services.
18 The FEIS analysis of impacts on police services is adequate.

19 GENERAL CONCLUSIONS ON EIS ADEQUACY APPEALS

20 53. For the reasons set forth above, the environmental consequences of the Olhava
21 Master Plan are reasonably disclosed, discussed, and substantiated with supporting opinions and
22 data. The appellants have failed to prove that the FEIS is inadequate for any of the reasons set
23 forth above or for any other reason. The FEIS should be determined to be adequate and the
24 appeals filed by the Suquamish Tribe, Winmar, and Grow Smart! should be denied.

25 C. CONCLUSIONS REGARDING THE MASTER PLAN APPLICATION

26 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN - INTRODUCTION AND ADMINISTRATION

54. PMC 18.32.040 specifies the required contents of a master plan application. The
first of the required elements, as provided in PMC 18.32.040(1) is an introduction and
administration chapter which defines the goals, objectives, policies, scope, and intent of the
master plan and a complete and detailed project description. The section is also to contain
provisions for administrative review, and planning commission and council review of future
phases and permits, as well as procedures for master plan amendment.

55. Chapter One of the proposed Master Plan meets the requirements of PMC
18.32.040(1). The goals, objectives, policies, scope, and intent of the Master Plan are described

1 and a detailed project description is provided. The administrative review process is set out, as
2 well as the process for planning commission and council review.

3 56. The procedures for amendment of the master plan are also set forth. The
4 language in those procedures set forth on page 33 of Chapter One is ambiguous, however,
5 concerning the ability of the project proponent to exceed the total commercial and business park
6 square footage and the total number of dwelling units set forth in the master plan without a
7 formal master plan amendment, i.e., with administrative approval.

8 57. The language in the third paragraph of Section 1.8.2 on page 33 of the Master
9 Plan can be read two ways. On the one hand, the language can be read to allow administrative
10 approval of a 15% deviation between the amount of development proposed in each phase and
11 the amount of development actually constructed, as long as the total development proposed by
12 the master plan is not exceeded. On the other hand, the language can be read to allow
13 administrative approval of development which exceed that proposed by the Master Plan as long
14 as that excess is not more than 15%.

15 58. The Master Plan proposes a total of 840,000 square feet of commercial space,
16 350,000 square feet of business park floor space, 70 single family dwelling units, 420 multiple
17 family dwelling units, and a branch campus of Olympic College. All of the environmental
18 analysis related to the project has been done using these figures as the maximum development
19 that would be allowed on the site. To allow for administrative deviation from these total figures
20 is not appropriate and would not allow for sufficient input from the planning commission, city
21 council, and public for such a major departure from what is proposed. The third paragraph of
22 Section 1.8.2 should be re-written to require a formal master plan amendment for any
23 development which exceeds the overall levels proposed in the Master Plan.

24 59. Some deviation within the phases is appropriate to recognize that market factors
25 may justify constructing more or less of what is proposed in any phase, or that other factors may
26 require a shift of some buildings on the site. The 15% administrative approval allowance is too
great, however, and would not allow for proper planning commission, city council and public
input. The third paragraph of Section 1.8.2 should re-written to provide for administrative
approval of a 10% deviation in the size of any phase, rather than a 15% deviation.

60. Revising the amendment process to limit administrative amendments to those
which propose to deviate by 10% or less in any individual phase will not significantly impact
the project because the applicants will still be entitled to build the total commercial space,
business park space, and number of dwelling units they propose. The only change will be in
the process by which major deviations from the proposal will be processed.

61. The third paragraph of Section 1.8.2 of the Master Plan should be re-written to
read as follows:

Changes in the size, layout and use of the individual structures in the Master Plan
are more likely as the project develops and responds to market conditions. Minor
deviations in square footage of any building or within any phase, building height,

1 and general layout of structures may occur with the administrative approval of the
2 Planning Department. Where deviations are more than minor and substantial
3 changes are proposed, formal amendment of the Master Plan as required in PMC
4 Chapter 18.32 shall be required. The Director shall review each phase plan as
presented in order to determine whether significant changes have been proposed.
For purposes of this chapter, a significant change is one which:

- 5 • proposes a deviation in the total square footage, height or dimensions of
6 structures, or total number of dwelling units within any particular phase
of more than 10%; or
- 7 • will result in an increase in traffic counts for any particular phase of more
8 than 10% above those assumed in the Master Plan for that phase; or
- 9 • proposes any deviation which requires a variance from applicable development
10 standards; or
- 11 • proposes any deviation which will cause the total square footage, total
12 number of dwelling units, or traffic counts for the Master Plan as a whole
to exceed those totals for the entire Master Plan assumed in the Plan.

13 Changes which are not considered significant shall be considered minor.

4 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN - LAND USE

15 62. PMC 18.32.040(2) requires the second chapter of the Master Plan to contain
16 provisions regarding land use, including (a) the location and type of land use with gross acreage
17 for each land use in each planning area; (b) residential densities by planning area and for the
entire site; (c) development standards; (d) any areas where the City's development standards
18 won't be met; (e) adjacent land uses; and (f) public areas, parks, and open space.

19 63. Chapter Two of the proposed Olhava Master Plan meets the requirements of PMC
20 18.32.040(2). A master land use plan is provided on page 2 of Chapter Two showing the
location, type, and gross acreage for each land use proposed for the site. Residential densities
21 are shown on the master land use plan and described in the text. Public areas, parks and open
spaces are also shown on the master land use plan and described in the text. Development
22 standards are set forth in Sections 2.3, 2.4, and 2.5. There are no areas where the City's
development standards will not be met. Adjacent land uses and streets are described and shown
23 on the maps and through the text.

24 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN 25 - DRAINAGE AND UTILITIES

26 64. PMC 18.32.040(3) requires the Master plan to have a drainage and utility chapter
consisting of a conceptual grading plan, a conceptual drainage plan, the preliminary location of
water, sewer, and other utilities, and a conceptual surface water management plan.

1 65. Chapter Three of the proposed Olhava Master Plan meets these requirements. A
2 conceptual grading plan is shown in Figure 3A on page 2 of Chapter Three and described in the
3 text of Section 3.1. A conceptual drainage plan is shown on Figure 3D and backup analysis of
4 pre- and post-development drainage is set forth in Sections 3.2 and 3.3 of Chapter Three. On-
site and off-site utility locations are shown on the conceptual water and sewer plans in Figures
3E, 3F, and 3G and described in the accompanying text.

5 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN
6 - ENVIRONMENTAL RESOURCES AND HAZARDS

7 66. PMC 18.32.040(4) requires the Master Plan to have an environmental resources
8 and hazards chapter which locates all critical and sensitive areas and which demonstrates
appropriate setbacks, dewatering plans of slopes, and mitigation methods.

9 67. Chapter Four of the proposed Olhava Master Plan meets this requirement.
10 Chapter Four inventories vegetation, wildlife, and wetlands found on the site and incorporates
11 detailed analysis of these items in various reports attached to or referenced in the Chapter. In
12 addition, the EIS and a Site Investigation Study and Site Investigation Report by the United
States Environmental Protection Agency (EPA) supplement this chapter with additional
environmental information.

13 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN - CIRCULATION

14 68. PMC 18.32.040(5) requires that the Master Plan contain a circulation chapter and
15 circulation plan showing (a) all arterial, collector, and principal local streets; (b) development
16 standards for all streets, (c) location of all trails, sidewalks and other non-vehicular
17 transportation routes; (d) development standards for all non-vehicular transportation routes; (e)
18 preliminary location of all bus stops or other rapid transit facilities; and (f) location and
description of all intersection improvements for arterials and collector roadways.

19 69. Chapter Five of the proposed Master Plan meets the requirements of PMC
20 18.32.040(5). All arterial, collector, and principal local streets are shown and discussed in
21 Section 5.2. Development standards for those streets are set forth in Section 5.4. The location
22 of all non-vehicular transportation routes is set forth in Section 5.3 and development standards
for those routes are described in Section 5.5. Transit stops, transit service, and other transit-
related facilities are described in Section 5.6. Intersection improvements and standards are set
forth in Sections 5.2 and 5.7.

23 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN - PHASING

24 70. PMC 18.32.040(6) requires the Master Plan to contain a project phasing chapter
25 which demonstrates how each planning area will be developed and how required infrastructure
26 needs will be met as development occurs. Master plans are also required to provide
implementation tools to ensure concurrency.

1 71. Chapter Six of the Olhava Master Plan meets the requirements of PMC
2 18.32.040(6). The project is divided into seven phases, which are described in detail in Section
3 6.1. Concurrency for all transportation, storm sewer, and sanitary sewer infrastructure is
4 assured through the construction and timing of improvements as set forth in the Development
5 Phasing Matrix on page 4 of Chapter 6.

6 72. With respect to water demand, the Master Plan meets the requirements of PMC
7 18.32.040(6) as far as construction of infrastructure to provide water to the site is concerned.
8 However, the FEIS indicates that water is not anticipated to be available for phases "f" and "g"
9 unless and until Kitsap PUD acquires additional water rights and enters into an amended
10 interlocal agreement with the City to provide more water than the 500 gpm that the current
11 interlocal agreement requires. The Master Plan should be conditioned so that no development
12 of phases "f" or "g" can occur unless and until the water supply is available to ensure
13 concurrency.

14 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN 15 - DESIGN GUIDELINES

16 73. PMC 18.32.040(7) requires the Master Plan to contain a design guidelines chapter
17 which consists of design narrative and illustrations.

18 74. Chapter Two, and particularly Section 2.5, of the Olhava Master Plan contains
19 design guidelines for the development of the Olhava property. Design concepts are expressed
20 and site layout and standards are articulated. Chapter Two does not contain illustrations or
21 graphics which depict the architectural concepts expressed, but the concepts, when coupled with
22 the Master Plan layout shown in Chapter One relating to land use are sufficiently detailed to
23 enable the City Council to determine the quality of the design and to ensure that the design
24 quality is maintained in subsequent development. The Master Plan meets the intent of PMC
25 18.32.040(7) without the need for further illustrations or graphics.

26 CONCLUSIONS REGARDING CONTENT OF MASTER PLAN - CONFORMANCE

75. PMC 18.32.040(8) requires a conformance chapter which textually describes
conformance of the Master Plan with all goals and policies of the Comprehensive Plan. Chapter
Eight of the Master Plan meets this requirement. That Chapter sets forth various goals and
policies contained in the Comprehensive Plan and describes how the Master Plan conforms to
these goals and policies.

76. All elements of a Master Plan required by PMC 18.32.040 are present in the
proposed Olhava Master Plan. The Master Plan conforms to the requirements of PMC
18.32.040.

1 CONCLUSIONS REGARDING MASTER PLAN CRITERIA FOR APPROVAL
2 - COMPATIBLE LAND USES

3 77. PMC 18.32.090 sets forth the criteria for approval of a Master Plan. The Olhava
4 Master Plan may be approved only if all of the criteria are met. Subsection (1) of PMC
5 18.32.090 requires the City Council to determine whether the proposed land uses (including
6 mixed use areas) are compatible.

7 78. The proposed land uses in the Master Plan are consistent with the land use
8 categories established by the City's Comprehensive Plan and Zoning Ordinance. The mix of
9 uses and the location of the same on the site were determined to be compatible in the adoption
10 of the Comprehensive Plan and Zoning Ordinance and remain generally compatible in the
11 absence of a Comprehensive Plan or Zoning Code amendment.

12 79. The proposed land uses within the two parcels comprising the Master Plan
13 property are generally compatible. The southern parcel is limited to residential uses with the
14 single family homes buffered with a 50 foot wide vegetated space from the multi-family areas
15 to the north. In addition, the entire perimeter of both single-family and multi-family areas in
16 the southern parcel is proposed to be buffered. With the buffering, the proposed land uses in
17 the southern parcel are compatible.

18 80. The most intensive uses are proposed to be located on the northern parcel. The
19 Primary Commercial area is located at the south end of the northern parcel and is situated
20 between Highway 3 on the east and existing business development on the west. Immediately
21 adjacent to the Primary Commercial area is the Secondary Commercial and Business Park areas
22 to the north. These areas transition to the medium density residential and College Campus areas
23 to the north and west. The Community Park that is proposed on the eastern perimeter of the
24 northern parcel provides buffering from adjacent properties and between land uses.

25 81. The provision of unified general standards for landscaping, signage, and lighting,
26 as well as the restrictions on uses proposed in the use lists and the specific development
standards for each listed use will further ensure compatibility of the land uses proposed.

82. In the event that, as further detailed design work is done in connection with the
phased development, it is determined that the Master Plan proposal does not fit on the property
as proposed, that issue may be dealt with as part of approval of the phase in order to ensure
compatibility of land uses. The issue does not require a definitive resolution at the Master Plan
approval stage of development.

83. Withdrawal of the applicant's initial request to deviate from the height and
continuous roof plane requirements will also ensure compatibility of land uses within the site.
Because references may still exist in the Master Plan to such deviations in height and roof line,
however, a condition should be imposed to recognize the withdrawal and current proposal. The
condition should read as follows:

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

6 84. With the proposed buffering and mix of land uses internal to the site and with the
7 withdrawal of the request to deviate from the height and continuous roof plane requirements, the
8 land uses within the Olhava Master Plan are compatible.

9 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
10 - SURROUNDING USES

10 85. PMC 18.32.090(2) requires that a master plan not be detrimental to surrounding
11 existing and planned uses.

12 86. Given the conceptual nature of the Master Plan, the Council concludes that the
13 proposed land uses are generally compatible with and won't be detrimental to surrounding
14 existing and planned uses. Master Plans are conceptual in nature under the Poulsbo Code and
15 are further refined through the approval of detailed subdivision, site plan, phase plan, and
16 development permit reviews. Subsequent phased review of the Olhava Master Plan project will
17 involve more detailed project descriptions which may lead to additional approval conditions to
18 ensure compatibility.

17 87. The perimeter buffering and the general arrangement of land uses will help to
18 provide compatibility with existing and planned land uses in surrounding areas. However, the
19 fifty foot vegetative buffer proposed by the Master Plan on the north and west property lines
20 between the medium density residential areas and adjacent properties characterized by rural
21 homesites is insufficient to provide an appropriate transition between the existing rural homesites
22 to the west of the Olhava property and the up to 10 units per acre of multi-family units that may
23 be built under the medium density zoning. Additional buffering as recommended by the
24 Planning Commission is necessary on the western boundary of the medium density residential
25 area on the west property line in order to ensure compatibility and provide an appropriate density
26 transition between the rural densities to the west and the medium density residential within the
27 Olhava property. With the one hundred foot buffer in this area proposed by the Planning
28 Commission, the medium density residential uses on the Olhava property will be compatible with
29 existing land uses to the west.

25 88. Additional study is necessary to determine whether private domestic wells may
26 be impacted by the proposed development of the Olhava property with its effects on groundwater
27 recharge and the draw-down of groundwater. This is a compatibility issue, as well as a utility
28 and SEPA issue and is dealt with in more detail below. In order for the land uses in the Master

1 Plan to not be detrimental to existing and planned uses, care must be taken not to impact water
2 quality or quantity in existing private domestic wells.

3 89. With the one hundred foot buffer described above and the conditions related to
4 further study of impacts on domestic wells set forth below, the land uses in the proposed Master
5 Plan will not be detrimental to surrounding existing and planned uses and PMC 18.32.090(2)
6 is met.

7 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
8 - CONSISTENCY WITH COMPREHENSIVE PLAN

9 90. PMC 18.32.090(3) requires the City Council to determine that the Master Plan
10 is consistent with the Comprehensive Plan (as amended, if a comprehensive plan amendment is
11 proposed concurrently with the plan) before the Master Plan may be approved. No
12 Comprehensive Plan amendment is proposed with the Olhava Master Plan.

13 91. The proposed configuration of land uses in the Olhava Master Plan conform
14 precisely to the land use designations set forth in the Comprehensive Plan. The Comprehensive
15 Plan calls for the Olhava Property to be developed with the mix of uses, intensity of commercial
16 and business park development, public schools and parks, and residential densities that are
17 proposed. The Comprehensive Plan specifically calls for this property to be developed with a
18 master plan. The analysis of the goals and policies set forth in the Conformance Chapter of the
19 Master Plan demonstrates that the Master Plan land uses are consistent with the Comprehensive
20 Plan.

21 92. The proposed land uses in the Master Plan are consistent with the Comprehensive
22 Plan and the requirements of PMC 18.32.090(3) are met.

23 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
24 - DESIGN STANDARDS

25 93. PMC 18.32.090(4) requires that the design standards and site development
26 standards in the Master Plan will promote high quality development and site design which will
enhance the area within and surrounding the Master Plan.

94. The proposed Olhava Master Plan is designed to meet all site development
standards of the Poulsbo Zoning Ordinance. In addition, the Master Plan contains a narrative
(in Chapter 2) which sets forth a comprehensive list of required and encouraged design
standards. A design review committee is proposed to oversee compliance with the design intent
of the Master Plan during project development.

95. If the project is built according to the design standards described in the Master
Plan, the project will constitute high quality development and will enhance the area within and
surrounding the Master Plan. PMC 18.32.090(4) is met by the proposal.

1 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
2 - ALTERNATIVE STANDARDS

3 96. PMC 18.32.090(5) requires that any alternative development standards be
4 justified. The Olhava Master Plan does not propose any standards which are alternative to those
5 set forth in Poulsbo's ordinances. This requirement is therefore not applicable to the Olhava
6 Master Plan.

7 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
8 - VEHICULAR AND PEDESTRIAN CIRCULATION PLANS

9 97. PMC 18.32.090(6) requires that the Master Plan's vehicular and pedestrian
10 circulation plans provide for streets and walking areas which are needed to serve the proposed
11 development and which are consistent with adopted City circulation plans.

12 98. With the adoption of the conditions of approval and SEPA mitigation attached to
13 these Findings and Conclusions, PMC 18.32.090(6) is met. The project site is afforded
14 excellent access by way of the Highway 3/Highway 305 interchange and a new direct access to
15 Viking Avenue. The Master Plan proposes an internal circulation system which is consistent
16 with the City Transportation Map. Walking trails and bike paths are proposed consistent with
17 the Comprehensive Plan Park and Recreation Policies 46, 51, 54, 56, and 57.

18 99. Transportation improvements needed for the project have been identified in the
19 traffic studies appended to the FEIS, in the body of the FEIS itself, and in the Master Plan
20 Development Phasing Matrix. These improvements have been coordinated with and agreed to
21 by the City staff, Kitsap County Traffic Division, Washington State Department of
22 Transportation, and Kitsap Transit. All improvements required by the FEIS and the
23 Development Phasing Matrix are essential for the Olhava Master Plan Development in order to
24 provide streets and walking areas necessary to provide acceptable levels of service. With the
25 adoption of the conditions of approval and SEPA mitigation measures attached to these Findings
26 and Conclusions, infrastructure needs attributable to the Master Plan will be met.

27 100. Transportation Policy 4 in the Poulsbo Comprehensive Plan requires that all
28 development occurring adjacent to a proposed arterial or collector roadway depicted on the
29 Comprehensive Plan Circulation Map must construct its fair share of the roadway as part of the
30 project's initial improvements. The testimony at the hearing demonstrated that the Olhava
31 Master does not contribute to the need for the proposed collector across the northern and
32 northeastern boundary of the site and that there is therefore no nexus between the need for the
33 road and the Master Plan. In the absence of such a nexus, the fair share of the roadway
34 construction that should be borne by this development is zero. Proposed condition 93 in Exhibit
35 212 should be deleted.

1 CONCLUSIONS REGARDING MASTER PLAN APPROVAL CRITERIA
2 - UTILITIES AND DRAINAGE

3 101. PMC 18.32.090(7) requires that the utility plans contained within the Master Plan
4 provide for adequate sanitary sewers, water, power, gas, cable television, telephone and drainage
for the proposed development.

5 102. With adoption of the conditions of approval and SEPA mitigation conditions
6 attached to these Findings and Conclusions, the Olhava Master Plan meets PMC 18.32.090(7).
7 Subsequent phased environmental and project review will require more detailed plans for these
8 utilities and may point out the need for additional conditions, but given that a Master Plan is
only required to provide utility plans of a conceptual nature, the plans contained within the
Master Plan indicate adequate service if the Master Plan is conditioned as proposed.

9 103. Conditioning the Master Plan so that no development of phases "f" and "g" may
10 occur until additional water rights are secured by Kitsap PUD and an amended interlocal
11 agreement to provide that water to Poulsbo are entered into is critical to the adequacy of utilities
12 for the proposed development. Without the additional water, phases "f" and "g" cannot be
served adequately. With the conditioning of the development of phases "f" and "g" on the
availability of such water, the water plan provides for adequate service.

13 104. The sewer infrastructure improvements set out as mitigation measures in the FEIS,
14 in the Development Phasing Matrix, and in the conditions of approval and SEPA mitigation
15 measures attached to these Findings and Conclusions are also critical to the provision of adequate
16 sanitary sewer service to the site. With the conditions of approval and SEPA mitigation
measures, the sewer plan is adequate to serve the development.

17 105. Because the drainage system plans are conceptual and have been supported by
18 feasibility tests, the drainage system plans, when coupled with the attached conditions of
19 approval and SEPA mitigation measures are sufficient to show adequate service to the proposed
20 development. Care must be taken, however, that providing adequate drainage service to the
21 Olhava Master Plan property does not impact private domestic wells in the vicinity of the Olhava
property through impacts on groundwater recharge and draw-down of groundwater. With the
conditions set forth in the SEPA mitigation section below, such drainage can be monitored for
such impacts and any impacts mitigated.

22 CONCLUSIONS REGARDING MASTER PLAN CRITERIA FOR APPROVAL
23 - BINDING SITE PLANS AND SUBDIVISIONS

24 106. PMC 18.32.090(8) provides that if a binding site plan and/or subdivision is
25 proposed concurrently with the Master Plan application, the City Council must find that the
26 criteria applicable to those development approvals must be met in order to approve the Master
Plan. There are no binding site plan or subdivision applications proposed for the Olhava
property concurrent with this Master Plan, although such applications are contemplated in the
future. Since no such applications are currently pending, PMC 18.32.090(8) is inapplicable.

1 CONCLUSIONS REGARDING MASTER PLAN CRITERIA FOR APPROVAL
2 - SEPA CONDITIONS

3 107. PMC 18.32.090(9) requires that the City Council must determine that all
4 conditions and/or other mitigation requirements established as part of the environmental review
5 process will be met before any Master Plan may be approved.

6 108. By and large, the conditions of approval and SEPA mitigations proposed by the
7 City staff in Exhibits 144, 207, 211, and 212 follow the recommended mitigation measures in
8 the FEIS and are adequate to mitigate the impacts of the Olhava Master Plan proposal. The
9 mitigation measures suggested in those exhibits are related to specific adverse environmental
10 impacts which are clearly identified in the FEIS for the Olhava Master Plan and cited on the
11 attached conditions of approval and SEPA mitigations. The mitigation measures are reasonable
12 and capable of being accomplished and are supported by the City's adopted SEPA policies,
13 which are also cited on the attached.

14 109. During the hearing, however, several requests were made to change some of the
15 proposed conditions and to add conditions which must be addressed here.

16 **Tree Survey**

17 110. Condition 13 in the staff report (Exhibit 144) should be modified. Staff's proposal
18 in Exhibit 212 to provide that tree surveys are not required for areas which will be cleared for
19 roads and highway access areas is appropriate, except where there may be evidence that such
20 trees fall within the definitions of threatened, endangered, or sensitive plant species. Where
21 trees fall within these categories, they can and should be preserved to the extent possible.
22 Where trees do not fall within these categories, it is not necessary to preserve them in areas
23 where roadways or highway access areas are being constructed. Although the FEIS does not
24 note the presence of any threatened, endangered, or sensitive species of tree, the FEIS does not
25 indicate that every tree along every proposed road or highway access area was examined.
26 Condition 13 should therefore be modified to require identification of threatened, endangered,
or sensitive species in roads and highway areas, but not to require a survey where no such
species exist.

111. Condition 13 should not be modified as requested by the applicant in Exhibit 196
in order to delete the requirement for tree surveys within building footprint areas or areas that
will be cut or filled more than one foot above or below grade. Because the Master Plan is
conceptual, tree surveys can and should be done in areas that may be used for building footprints
or for the cuts and fills greater than one foot above or below grade. Preservation of trees is an
important City goal and is required by PMC 18.21.050 and 18.22.050 in residential and
commercial site design and supported by SEPA policies detailed in the Conditions of Approval.
The purpose of the tree survey is to help locate building footprints and cuts and fills at the
detailed project design stage in order to preserve trees. Deleting the requirement for tree
surveys in these areas would not further the preservation purpose for which such surveys are
required.

Critical Areas

112. Condition 14 should not be modified as requested by the applicant in order to delete the requirement to comply with the City's critical areas ordinances in effect at the time of site plan or preliminary plat application. The applicants' contention that the Master Plan vests them against all future regulatory changes is not clearly the case under existing law.

Erosion and Sedimentation Control

113. Condition 17(b) should be modified to require not only that critical areas and their buffers, trees, and drainage courses be clearly marked, but also that they be protected in some manner that meets the City's approval. Condition 17(b) should be modified to add the following as the second sentence: "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."

114. Condition 17(b) should also be modified to include the language that is currently in Condition 17(k). This will ensure that temporary, construction-related sedimentation control shall be in place along with the protective measures specified above, at the time clearing and grading commences. By moving the language in Condition 17(k) to Condition 17(b), Condition 17(k) may be eliminated.

115. Condition 17(h) should be clarified to read as requested by staff in Exhibit 212. The 150 foot trench length should be maintained to be consistent with WSDOT/APWA standards for utility construction, and not modified as requested by the applicant in Exhibit 196. The statement that the length is to be 150 feet "unless approved by the City Engineer" gives sufficient leeway for approval of additional trenching should unusual conditions warrant.

Windbreaks

116. Condition 28 is intended as an air quality measure as suggested in the FEIS on page III-38. Condition 28 should be amended as proposed by staff and agreed to by the applicant in Exhibit 212. As modified, the condition will provide the necessary mitigation.

Buffer Width

117. The provisions regarding the 100 foot buffer proposed in Condition 31 should be modified as suggested by staff in Exhibits 207 and 212 and not as suggested by the applicant in Exhibit 196. The Planning Commission recommended the 100 foot buffer in order to protect the existing low density residential area immediately to the west of the project's western boundary as that area abuts the medium residential density area in the Master Plan. Such protection is needed, although, as staff and the applicant suggest, some flexibility in site design should be allowed if an alternative means of ensuring compatibility can be determined. Staff's proposed modification in Exhibit 212 provides the necessary protection through the 100 foot buffer while allowing for the desired flexibility. The modification proposed by the applicant eliminates the 100 foot buffer in favor of a more discretionary buffer enhancement plan.

1 118. The provision regarding the 50 foot buffer proposed in Condition 33 should be
2 modified as suggested by staff in Exhibits 207 and 212 and not as requested by the applicant in
3 Exhibit 196. As written in Exhibit 144, the condition would have required buffering between
4 similar uses, something which does not seem to be appropriate. The portion of the Olhava
5 property adjacent to, and west of, the primary commercial area and which is designated for
6 medium density residential development should be buffered from the primary commercial area.
7 The FEIS recognizes this need for buffering in the discussion of aesthetic impacts on pages III-
8 39 through III-45. Staff's proposed modification clarifies the language of Condition 33
9 sufficiently to recognize that buffering is not necessary between similar uses, but is necessary
10 to mitigate a significant aesthetic impact on the medium density residential area from the primary
11 commercial area. The 50 foot buffer is suggested by the FEIS as the necessary width to provide
12 this mitigation.

Fire Impacts

13 119. The FEIS clearly documents the impacts of the project on fire protection services
14 and concludes that service cannot be provided to the entire site under either the five minute
15 response time or 1.5 mile radius standards used nationally to measure service adequacy. The
16 FEIS suggests the possible manning of the Clear Creek Station (Station 74) as the method of
17 mitigating the impacts and proposes a needs assessment funded by the applicant to determine
18 whether that can be accomplished.

19 120. Condition 37 as proposed by the staff in Exhibit 144 incorporates the
20 recommendations contained in the FEIS. Because Condition 37 is required to mitigate a direct
21 impact of the Olhava Master Plan development, it should not be eliminated as requested by the
22 applicant.

23 121. Based upon the testimony received at the hearing, Condition 37 should be
24 modified. According to that testimony manning Station 74 may not be the most appropriate
25 means of providing fire protection service meeting the national standards to the Olhava Master
26 Plan property and to the remainder of the City. Moreover, the impact of manning Station 74
27 must be considered in the broader context of the impact on Kitsap County Fire Protection
28 District No. 18, to which the City provides fire service. For this reason, Condition 37 should
29 be revised in order to avoid limiting the conclusion of the needs assessment to whether the City
30 can effectively man Station 74.

31 122. Condition 37 should be modified to read as follows:

32 "Prior to any development approval associated with Phase "a," the applicant shall
33 fund a needs assessment to be conducted by or under the oversight of the City in
34 order to determine the best means of providing fire and emergency services to the
35 Olhava property and vicinity in order to mitigate the fire service and response
36 time impacts of the proposal. The needs assessment shall include an evaluation
37 of providing service from the City's main fire station (Station 71) and whether the
38 Clear Creek Station (Station 74) can or should be manned in a reasonable manner
39 with a full-time engine company as a means of ensuring mitigation of the fire

1 impacts of the project. If the study determines that the Clear Creek Station can
2 be so manned and will provide the best means of ensuring adequate fire protection
3 to the Olhava property and vicinity, then the Station must be manned prior to
4 occupancy of any structures in the northerly 174 acres of the Olhava property.
5 If the study concludes that the Clear Creek Station cannot be so manned or is not
6 the best means of ensuring fire protection to the Olhava property and vicinity,
7 then the study shall evaluate alternative mitigation measures, including but not
8 limited to the potential for a new fire station, in order to ensure that the impacts
9 of the Olhava Master Plan Project on fire and emergency services are adequately
10 mitigated and development permits for the remaining phases of the Master Plan
11 Project may be properly conditioned."

12 123. The flexibility provided in this modified condition will enable the City to condition
13 the phases and development approvals for Olhava appropriately in order to ensure adequate fire
14 protection is provided to the Master Plan development.

15 Traffic and Transit-Related Conditions

16 124. Conditions 48 - 53 should remain essentially as proposed by the staff in Exhibit
17 144, with the modifications shown in Exhibit 212. Conditions 48-53 should not be modified as
18 requested by the applicant in Exhibit 196 in order to delete any contributions to or construction
19 of any transportation improvements. The traffic impacts of the Olhava Master Plan development
20 are well-documented in the FEIS and in the traffic analysis conducted by the applicant's
21 transportation engineer, Terry Gibson and set forth in the technical appendices to the DEIS.
22 Each of the transportation improvements that the applicant seeks relief from are necessary to
23 serve the Olhava Master Plan development and the Olhava Master Plan contributes significant
24 traffic and uses up a significant amount of the capacity to be provided by these improvements.
25 The projects are being constructed to serve the Olhava Master Plan property and the analysis in
26 the FEIS and the technical appendices clearly establishes the nexus between these improvements
and the impacts of the Olhava Master Plan proposal. The mitigation measures are related to
specific transportation mitigation impacts clearly identified in the FEIS and the technical
appendices to the DEIS.

125. The applicant's contention that they should not be required to contribute to the
cost of improvements which have received funding from other sources is without merit.
Regardless of the funding source for the improvements, the impacts of the Olhava Master Plan
development and the nexus between the need for those improvements and the traffic generated
by the Olhava Master Plan is well-documented by the applicant's own traffic studies.

126. The proposed Conditions 48 - 53 require the applicant to pay no more than its
fair, proportionate share of the transportation improvements delineated in those conditions. The
fair proportionate share is the result of considerable analysis by the applicant's own
transportation engineer, as well as considerable work by the City Engineer and representatives
of Kitsap County and WSDOT, the other affected agencies in whose jurisdictions the
transportation improvements lie. The mitigation measures proposed in Conditions 48 - 53

1 require the applicant to mitigate transportation impacts only to the extent attributable to the
2 identified impacts of the Olhava Master Plan proposal.

3 127. The proposed mitigation measures are based upon the City's adopted SEPA
4 policies in PMC 16.04.240, and particularly those enumerated in the attached Conditions of
5 Approval immediately prior to discussion of the Traffic, Circulation and Transit Related
6 Conditions.

7 128. The mitigation measures are reasonable and capable of being accomplished. The
8 applicant is required to pay only its proportionate share of those improvements it objects to and
9 that share is reasonable. No argument was made that the funding requirements could not be
10 satisfied or were economically infeasible for the level of development proposed. The conditions
11 should remain as proposed in the FEIS and the staff report admitted as Exhibit 144.

12 129. Condition 54 should be modified to read as suggested by the staff in Exhibit 207.
13 The wording as originally proposed in Exhibit 144 could mean a delay in the construction of the
14 Olympic Community College while WSDOT formally approves the design for the access break
15 that it has already approved generally. The proposed wording in Exhibit 207 in order to limit
16 the requirement to grading permits in the WSDOT right-of-way is appropriate.

17 130. Proposed Conditions 55, 56 and 82 should read as recommended by staff in
18 Exhibit 212. The ability to provide for the specific requests by Kitsap Transit set forth in
19 Exhibit 214 is not precluded by the proposed language of conditions 56 and 82 in Exhibit 212
20 and that language provides the flexibility necessary to address Kitsap Transit's concerns.

21 131. Proposed Condition 93 in Exhibits 211 and 212 should be deleted. Although
22 Transportation Policy 4 in the City's Comprehensive Plan requires that development adjacent
23 to planned collector roadways must dedicate and construct its fair share of the collector, there
24 is no nexus between the impacts of this proposal and the need for the collector roadway shown
25 on the Transportation Plan along the northern and northeastern boundary of the Olhava property.
26 Without such a nexus, the City cannot require dedication or construction of the collector by this
27 applicant and the proposed condition should be deleted.

28 **Building and Engineering Conditions of Approval**

29 132. Except as specifically modified pursuant to other conclusions set forth herein, the
30 Building and Engineering Department Conditions of Approval set forth as proposed conditions
31 85 - 92 in Exhibit 212 should be imposed. These conditions are standard technical conditions
32 of approval and specific conditions related to the Olhava Master Plan. The Fire Department and
33 Public Works Department conditions of approval, proposed Conditions 91 through 97 in Exhibit
34 144 should be renumbered to accommodate the revised Building and Engineering Department
35 conditions as set forth on the attached.

36 133. Proposed Condition 90 should read as agreed to by the applicant and the staff in
37 Exhibit 212. The interlocal agreement for water service will have to be between the City of
38 Poulsbo and Kitsap PUD and not between the applicant and the PUD. The applicant will be

1 required to obtain and pay for water service to the Olhava property from the City and should
2 be required to assist the City in obtaining the interlocal agreement amendment.

3 Drainage and Groundwater

4 134. The conditions suggested by Kent Olsen (Exhibit 157) should not be added to the
5 Master Plan approval at this time. The drainage plan proposed by the applicant as part of the
6 Master Plan is conceptual in nature and additional analysis would be required to support any of
7 the additional specific conditions proposed in the first three bullet paragraphs of Exhibit 157.
8 The current level of detail in the drainage plan and as presented in the testimony of Mr. Olsen's
9 drainage consultant is insufficient to establish that the specific conditions requested in the first
10 three bulleted paragraphs are necessary or feasible.

11 135. With respect to the fourth bulleted paragraph on Exhibit 157, the City cannot
12 require that easements be purchased from the Hansen/Olsen property owners based upon the
13 level of analysis presented. The evidence presented does not support a determination that the
14 Hansen/Olsen properties groundwater or surface water problems have been created by existing
15 drainage leaving the Olhava property or will be exacerbated by future drainage leaving the
16 Olhava property. Further analysis would have to be required before any such linkage could be
17 made.

18 136. With regard to the fifth bulleted paragraph, the City cannot, in the context of a
19 Master Plan application, approve filling of wetlands on downstream properties which already
20 exist and which have allegedly been created by drainage associated with roadway and utility
21 construction which is not part of Olhava. There is no nexus between the Olhava Master Plan
22 development and pre-existing conditions on the Hansen/Olsen properties. Such filling can only
23 be allowed, if at all, through separate applications for the Hansen/Olsen properties.

24 137. Regardless of the merits of the specific conditions proposed by Mr. Olsen, it is
25 apparent that further downstream analysis of drainage impacts is required before the drainage
26 system can be finally designed and implemented. In addition, analysis is needed as to the effects
of groundwater mounding and the potential impact of the drainage system on the groundwater
recharge and groundwater draw-down that could affect existing domestic water wells that are
down gradient from the Olhava property. Proposed Conditions 87 and 88 in Exhibit 211 could
provide the required analysis in order to determine what on-site and off-site measures should be
required.

138. Conditions 87 and 88 should be modified to read as follows, however, in order
to ensure that drainage improvements are constructed at an appropriate time and mitigate the
project's impacts:

"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 enhancement

1 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
3 project shall be required as determined necessary by the City Engineer and shall
4 be installed by the developer at the developer's expense. A latecomer's
5 agreement shall be a possibility for the developer as determined by the City
6 through the appropriate process for latecomer's agreements. Restrictions of flow
7 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."

8 "88. During phased review, the City Engineer shall require the applicant to
9 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
10 area. As part of the analysis and drainage design process, the applicant shall
11 study the effects of water mounding and propose or make specific
12 recommendations for mitigation of such effects. As part of the analysis and
13 design process, the applicant will also identify wells which are down gradient
14 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
16 proposed drainage design, mitigation measures, and monitoring plan. In
17 addition, during phased review, the City Engineer may hire an independent
18 consultant or consultants to review and comment on any or all other utility or
19 other infrastructure plans (sanitary sewer, water, roads/streets) proposed by the
20 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.

21 Parks

22 139. A condition should be added to specifically ensure improvement and dedication
23 of the proposed eight acre community park as part of the proposal. The condition should be
added at the end of the conditions of approval and should read as follows:

24 "The project proponent shall improve and dedicate the eight (8) acre park in the
25 northeast corner of the project site to the City. These improvements shall include
26 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."

Limiting Commercial Uses

140. For the same reasons as set forth in the denial of Winmar's appeal of the FEIS, the requested limitation on uses proposed in Exhibit 145 is not supported by the evidence and must be denied.

CONCLUSIONS REGARDING COMMUNITY OPPOSITION

141. While the opposition of the community may be given substantial weight in environmental and development approval determinations, that opposition is insufficient to justify a denial of the Olhava Master Plan or a finding that the Olhava Master Plan FEIS is inadequate. Whatever the individual feelings of the City Council members, the City Council must abide by its ordinances and is bound to approve any development application which meets those ordinances and as to which the environmental impacts can and will be mitigated.

142. With the conditions set forth on the attached Conditions of Approval and SEPA Mitigations, the Olhava Master Plan application meets the requirements set out in the Poulsbo Comprehensive Plan and Zoning Code. With those conditions, all probable, significant, adverse environmental impacts of the proposed Master Plan will be mitigated. Thus, whether or not the community is opposed to the Olhava Master Plan, the Council must approve the Master Plan and deny the FEIS appeals.

III. DECISION

Based upon the foregoing Findings and Conclusions, the City Council hereby makes the following decisions:

1. The Final Environmental Impact Statement for the Olhava Master Plan is adequate under the rule of reason and the appeals filed by Grow Smart!, the Suquamish Tribe, and Winmar Company, Inc. are hereby denied.

2. The Olhava Master Plan, City Planning File No. MP 96-01, is hereby approved, subject to the modified Conditions of Approval and SEPA Mitigations attached to this decision and incorporated herein by this reference as if set forth in full.

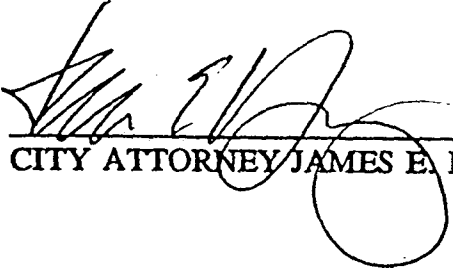
ADOPTED THIS 3rd day of June, 1998.

POULSBO CITY COUNCIL


DEPUTY MAYOR DONNA JEAN BRUCE

1 | ATTEST AUTHENTICATED:

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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.

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.

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;
- 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 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.

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.

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.

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 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.

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.

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; PMC 18.32.090; RCW 43.21C.010; RCW 43.21C.020.

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.

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.

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.

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.

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 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 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.

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.