EXHIBIT 12.c.i: Planning and Economic Development Department Memo

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PLANNING AND ECONOMIC DEVELOPMENT
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MEMO

To: Heather Wright, AICP, SEPA Responsible Official
From: Nikole Coleman, AICP, Planning Manager
Subject: SEPA Determination – Pinnacle at Liberty Bay PRD and Preliminary Subdivision | P-06-20-25-03
Date: November 2, 2026

Applicant: Montebanc Management, LLC | 400 NW Gilman Boulevard | Issaquah, WA 98027

Applicant's Representative: ESM Consulting Engineers | 33400 8th Ave S, Ste 205 | Federal Way, WA 98003

Location: The approximately 41.41-acre project site is located north of State Route 305 between the Crystal View and Baywatch residential neighborhoods within the City of Poulsbo. The proposal encompasses five tax parcels:

- 17505 Sunrise Ridge Avenue NE (Parcel No. 242601-3-005-2006)
- Parcel No. 242601-3-019-2000
- Parcel No. 242601-3-018-2001
- Parcel No. 242601-3-003-2008
- Parcel No. 232601-4-001-2009

The property is designated Residential Low (RL) under the City's Comprehensive Plan and is zoned Residential Low (RL). The site contains one existing single-family residence, mature second-growth forest, wetlands, streams, geologically hazardous areas, critical aquifer recharge areas, and associated buffers.

Project Description: The applicant requests approval of a Planned Residential Development (PRD), Preliminary Subdivision, and Critical Area Review to subdivide approximately 41.41 acres into 130 detached single-family residential lots, together with public roads, sidewalks, utility infrastructure, stormwater facilities, open space tracts, recreational amenities, pedestrian pathways, landscaping, and associated site improvements.

Primary vehicular access is proposed from NE Crystallia Court and Sunrise Ridge Avenue NE. The proposal includes construction of new public streets, domestic water, sanitary sewer, stormwater conveyance and treatment facilities, grading, retaining walls, and associated utility infrastructure. The project would be constructed in multiple phases.

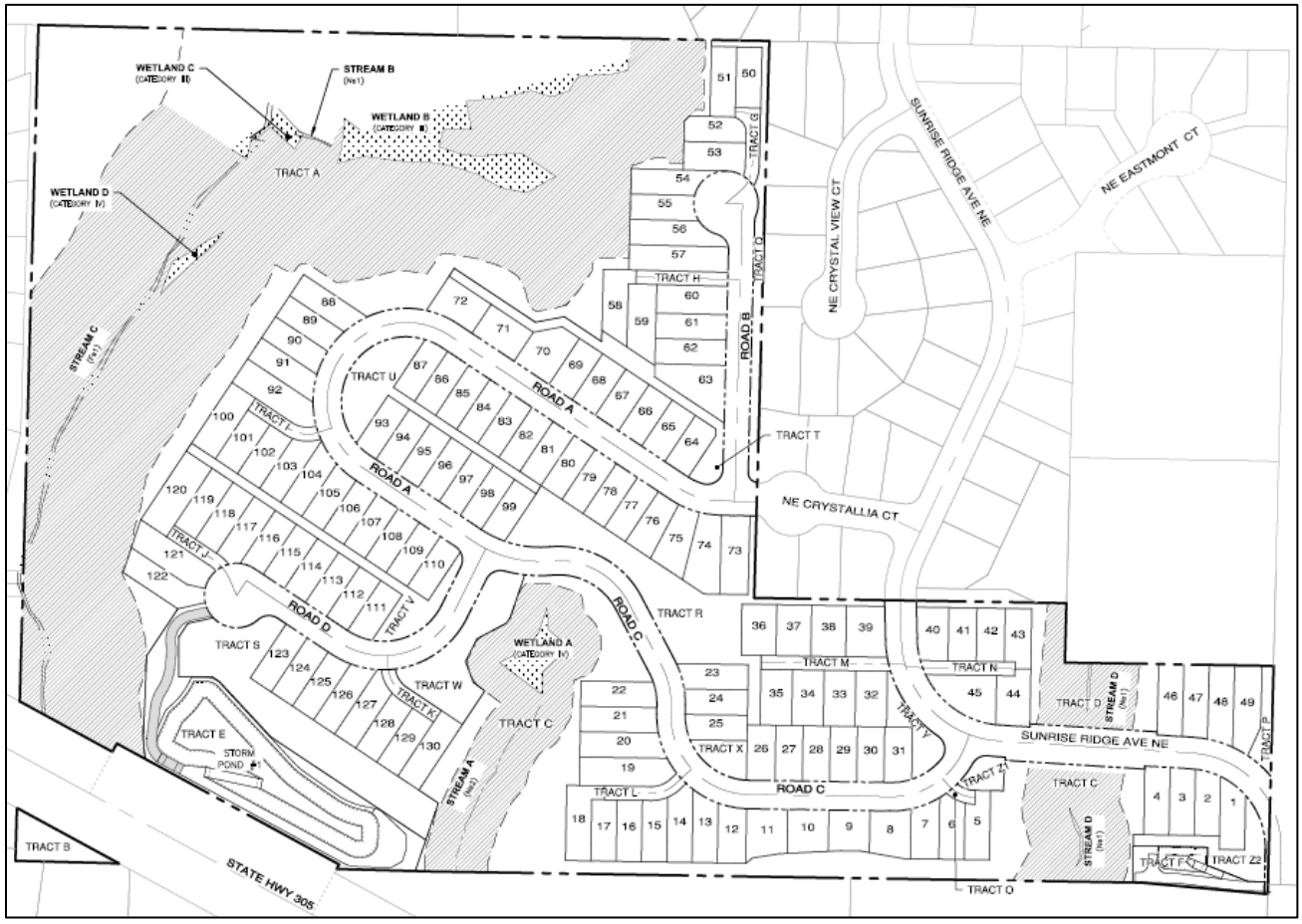
The proposed access configuration has been evaluated in relation to roadway connectivity, emergency access, and connections to adjacent properties. The applicant submitted supplemental feasibility analyses addressing the planned Baywatch Court NE connection and potential connections to properties south of the project site. The City evaluated these materials together with the revised transportation analysis, applicable development standards, emergency response evaluations, and independent technical reviews. Based on this evaluation, the City determined that the Baywatch Court NE connection is necessary to address roadway connectivity and emergency access requirements. The required connection and associated improvements are addressed through the environmental mitigation measures and Preliminary Subdivision conditions of approval.

Development of the property requires extensive grading due to significant changes in topography across the site and must accommodate numerous regulated critical areas, including wetlands, streams, fish and wildlife habitat conservation areas, and geologically hazardous areas.

Throughout the City's review process, the applicant revised the proposal multiple times in response to comments from City staff and third-party peer reviewers. Major revisions included modifications to roadway alignments, lot configurations, critical area buffers, stormwater facilities, grading plans, utility layouts, and open space tracts. These revisions were intended to address comments regarding critical areas, transportation, geotechnical conditions, stormwater management, utility design, and compliance with applicable provisions of the Poulsbo Municipal Code.

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Figure 1. Overall Site Plan:



Environmental Record/Exhibits:

The environmental review consisted of analysis based upon the following documents:

Civil Plan Set (Exhibit B)

- Overall Site Plan and Phasing Plan (9/16/26)
- Preliminary TESC Plan (9/16/26)
- Preliminary Grading Plans (9/16/26)
- Overall Infrastructure Plan (9/16/26)
- Preliminary Road and Utility Plan (9/16/26)
- Preliminary Road and Utility Profiles (9/16/26)
- Preliminary Pond Layout (9/16/26)
- Off-Site Sewer Connection/Crossing Plan (9/16/26)
- Channelization and Signage Plan (9/16/26)
- Preliminary Landscaping and Recreation Plan (9/16/26)
- ESM Retaining Wall and Landscape Narrative (9/16/26)
- Individual Identity Plan, Home Designs, and Narrative

Critical Areas – Wetlands and Streams (Exhibit C)

- Wetland Buffer Averaging Civil Sheet (9/16/26)
- SWC Pinnacle at Liberty Bay Critical Area Report and Habitat Management Plan (7/14/25)
- Fallon/Grette Associates Peer Review No. 1 (8/29/25)
- SWC Critical Area Report Addendum No. 1 (11/19/25)
- Fallon/Grette Associates Peer Review No. 2 (12/4/25)
- SWC Critical Area Report Addendum No. 2 (4/6/26)
- Fallon/Grette Associates Peer Review No. 3 (4/27/26)

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- SWC Critical Area Report Addendum No. 3 (9/15/26)
- Fallon/Grette Associates Peer Review No. 4 (10/14/26)

Geotechnical (Exhibit D)

- Aspect Geotechnical Engineering Report (2/13/25)
- Aspect Geotechnical Addendum No. 1 (6/16/25)
- HWA/GeoSciences Peer Review (10/3/25)
- Aspect Response to City of Poulsbo's Geotechnical Third-Party Review Comments (11/24/25)
- Aspect Geotechnical Addendum No. 2 (6/17/26)
- Aspect Geotechnical Addendum No. 3 (9/9/26)

Tree Retention Information (Exhibit E)

- Washington Forestry Consultants Tree Retention Plan (6/16/25)
- Sound Urban Forestry Peer Review (8/29/25)
- Sound Urban Forestry Peer Review (12/19/25)

Stormwater (Exhibit F)

- ESM Preliminary Stormwater Site Plan Report (Revised 4/6/25)
- BHC Peer Review (10/1/25)

Transportation (Exhibit G)

- Traffic Impact Analysis (Revised 10/26)
- Traffic Impact Analysis (Revised 11/25)
- Parametrix Peer Review (9/8/25)
- Parametrix Peer Review (7/1/26)
- Parametrix Peer Review (9/2/26)
- Parametrix Peer Review (10/19/26)
- Parametrix Connection Road Feasibility Independent Review (9/16/2026)
- Concurrency Application
- Applicant Response to City DRAFT Connectivity Memo (7/21/26)
- Divoky Property Connection Feasibility Analysis
- Skelley Property Connection Feasibility Analysis
- Stream Crossing/Baywatch Connection Technical Justification
- Access Separation Exhibit
- Hinton Engineering Access Road Opinion
- Poulsbo Fire District Operational Emergency Response Considerations memo (7/28/26)
- City Building/Fire Code Official Access and Emergency Egress Review memo (8/19/26)
- Engineering Memo – Connectivity and Multiple Points of Access/Egress (Bateman, Ranes 10/28/26)
- Engineering Memo – Project Areas and Access Points ICC Code Interpretation (10/27/26)
- WSDOT Review Memo (10/21/26)

Water (Exhibit H)

- Gray and Osborne Water System Analysis (11/14/25)

SEPA Materials (Exhibit I)

- Revised Notice of Application with Optional DNS
- Applicant's Environmental Checklist, as supplemented and amended by City staff
- Public Comment Received during Optional DNS Public Comment Period

Applicable Regulations

- Chapter 43.21C RCW, State Environmental Policy Act
- Chapter 197-11 WAC, SEPA Rules
- Chapter 16.04 PMC, Environmental Policy
- Chapter 16.20 PMC, Critical Areas
- Title 17 PMC, Land Division
- Title 18 PMC, Zoning
- Title 19 PMC, Permit Processing Procedures
- City Engineering Construction Standards

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- City of Poulsbo Comprehensive Plan

Coordination of SEPA Review Memoranda:

The City's environmental review is documented through companion memoranda prepared by the Planning and Economic Development Department and the Engineering Department. Both memoranda are supported by a common administrative record, consistent supporting exhibits, and a consolidated set of SEPA mitigation measures (Exhibit A). The memoranda are intended to be read together as the City's environmental analysis supporting the SEPA threshold determination.

Staff Amendments to the Environmental Checklist:

The environmental checklist submitted by the applicant provides the primary basis for environmental review. Throughout the City's review process, the proposal underwent multiple revisions in response to comments from City departments, outside agencies, and independent peer reviewers. Additional technical studies, revised plans, and supplemental analyses were submitted to address issues related to critical areas, transportation, geotechnical conditions, utilities, stormwater management, and site design.

The following sections supplement, clarify, and amend the applicant's Environmental Checklist based upon information contained within the administrative record. Where the original checklist adequately addresses an environmental element, staff has noted that no further amendments are necessary. Where additional technical information was submitted or environmental impacts were further evaluated during permit review, staff has supplemented the checklist with the analysis below.

Environmental Checklist Elements:

1. *Earth*

   The approximately 41.41-acre project site is characterized by rolling upland terrain dissected by several drainage corridors that generally slope south and west toward Barrante's Creek and Liberty Bay. Existing site elevations range from approximately 120 feet above mean sea level near the southwestern portion of the property to approximately 376 feet along the northeastern uplands. The site is predominantly forested with mature second-growth coniferous and deciduous vegetation, with limited areas of previous disturbance associated with an existing residence, driveway, utilities, and historic logging activities. Existing slopes range from relatively level upland benches to steep natural hillsides adjacent to Barrante's Creek and associated wetlands. Portions of the property are identified as geologically hazardous areas under Chapter 16.20 PMC due to the presence of erosion hazard areas, steep slopes, and landslide hazard areas.

   Development of the site requires substantial earthwork to establish roadway grades, construct residential building pads, install underground utilities, develop stormwater management facilities, and provide compliant access throughout the subdivision. The proposed grading includes significant cut-and-fill operations across much of the site, construction of multiple retaining walls, modification of existing slopes, and installation of engineered fills supporting future streets and residential lots. Because of the site's topography and geologic setting, earthwork and slope stability were identified early in the review process as one of the principal environmental issues requiring detailed technical evaluation.

   To evaluate these conditions, the applicant submitted a Geotechnical Engineering Report prepared by Aspect Consulting dated February 13, 2025, a Geotechnical Addendum dated June 16, 2025, a Response to Third-Party Review Comments dated November 24, 2025, a 2nd Geotechnical Addendum dated June 17, 2026, and a 3rd Geotechnical Addendum dated September 9, 2026 (Exhibit D). These reports included field reconnaissance, subsurface exploration, test pits, soil classification, groundwater observations, and engineering analyses evaluating existing geologic conditions, slope stability, erosion potential, groundwater influences, and the suitability of the site for residential development. The reports also provide preliminary recommendations regarding grading practices, retaining wall construction, erosion control, stormwater infiltration considerations, utility installation, pavement sections, and foundation design.

   Because of the complexity of the proposal and the extent of proposed grading, the City retained an independent third-party geotechnical consultant to review the applicant's reports and evaluate consistency with the City's Critical Areas Ordinance and accepted engineering practice. The peer review process occurred over multiple review cycles and included detailed evaluation of slope stability, retaining wall feasibility, groundwater conditions, grading limits, and long-term maintenance considerations. Numerous revisions were requested before the applicant submitted revised geotechnical analyses and updated engineering plans.

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Throughout the review process, the applicant substantially revised the grading plan in response to City and peer review comments. Revisions included modifications to roadway alignments, residential lot layouts, grading extents, retaining wall locations, stormwater facilities, and critical area boundaries. These changes reduced grading impacts in certain locations while shifting grading and retaining wall requirements elsewhere within the project. As a result, staff evaluated several iterations of the proposed grading plan before determining that the environmental impacts associated with earthwork had been sufficiently identified for purposes of SEPA review.

The proposal relies upon numerous retaining walls distributed throughout the subdivision to accommodate changes in elevation between streets, residential lots, stormwater facilities, and adjacent critical areas. The retaining walls represent an integral component of the proposed grading strategy and are necessary to achieve the proposed lot layout while minimizing grading footprints in environmentally constrained portions of the site. Final engineering of the retaining walls has not yet been completed and will require additional design, geotechnical analysis, and construction review should the project ultimately receive land use approval.

The City's review identified the extent and configuration of the proposed retaining wall system as an important consideration in evaluating the proposal. Although preliminary geotechnical analyses concluded that retaining walls can generally be designed to accommodate anticipated loading conditions, final wall design, structural engineering, drainage systems, and construction sequencing remain subject to future engineering review. Revised engineering plans further clarify that retaining walls associated with private development and stormwater facilities will remain under private ownership and maintenance. Public stormwater easements proposed over applicable tracts are intended to provide access for maintenance of public stormwater facilities and do not transfer responsibility for privately owned retaining walls to the City. Final retaining wall design shall also demonstrate that structural reinforcement, including geogrid or other mechanically stabilized earth components, does not encroach into public rights-of-way or utility easements unless specifically approved by the City Engineer. Final retaining wall design shall also address construction access, drainage, and potential impacts to adjacent slopes, utilities, and critical areas, consistent with the recommendations of the geotechnical engineer of record and applicable City engineering requirements.

The geotechnical reports recommend that all retaining walls be designed by qualified professionals based upon site-specific subsurface conditions encountered during final design and construction. Construction observation and testing by the geotechnical engineer of record is also recommended to verify that field conditions remain consistent with the assumptions used in the engineering analyses.

The geotechnical reports further conclude that successful development of the property depends upon strict adherence to recommended grading procedures, temporary erosion control measures, groundwater management techniques, engineered fill placement requirements, and construction sequencing. Improper grading, uncontrolled groundwater, or deviations from the recommended engineering practices could increase the potential for erosion, differential settlement, localized slope instability, or structural distress. Accordingly, implementation of the geotechnical recommendations forms an important component of the environmental mitigation associated with the proposal.

Potential impacts related to erosion and sediment transport during construction will be regulated through the City's grading permit process, implementation of temporary erosion and sediment control best management practices, compliance with the approved Stormwater Pollution Prevention Plan (SWPPP), and adherence to the City of Poulsbo Engineering Design Standards and the current Washington State Department of Ecology Stormwater Management Manual for Western Washington. Temporary erosion control measures will be required prior to commencement of land disturbing activities and shall remain in place until disturbed areas have been permanently stabilized.

Following completion of construction, long-term erosion potential is expected to be substantially reduced through installation of permanent drainage infrastructure, slope stabilization measures, landscaping, and restoration planting associated with the approved landscape, habitat management, and stormwater plans.

Staff Amendment: The Environmental Checklist is amended to incorporate the findings and recommendations contained within the geotechnical reports, geotechnical addenda, peer review memoranda, revised grading and retaining wall plans, and subsequent engineering analyses submitted during permit review (Exhibit D). Based upon the information contained within the administrative record, staff concludes that potential earth-related impacts associated with grading, erosion, slope stability, retaining walls, groundwater, and engineered fills have been adequately identified and evaluated for

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purposes of SEPA. If the proposal is approved, final grading, retaining wall design, retaining wall drainage and groundwater management, structural fill, soil amendment, slope stabilization, and construction sequencing shall comply with Chapter 16.20 PMC, applicable City engineering standards, and the recommendations of the project geotechnical engineer. Final design shall be subject to City review, construction observation, and certification by the geotechnical engineer of record.

2. *Air*

Existing air quality in the project vicinity is typical of a low-density residential area characterized by forested vegetation, limited local traffic, and the absence of significant industrial or commercial emission sources. Existing air quality is influenced primarily by vehicle traffic along State Route 305, localized residential activity, and seasonal weather conditions.

Construction of the proposed subdivision will result in temporary air quality impacts associated with vegetation clearing, grading, excavation, utility installation, roadway construction, building construction, and construction vehicle traffic. These activities have the potential to generate dust, particulate matter, and equipment exhaust emissions during active construction periods. Because development will occur in multiple phases over an extended construction period, temporary emissions may occur intermittently as each phase progresses.

Dust generation will be minimized through implementation of standard construction best management practices, including watering of exposed soils, stabilization of disturbed areas, covering or otherwise controlling transported materials, limiting unnecessary idling of construction equipment, and maintaining construction entrances to minimize tracking of sediment onto adjacent public streets. Temporary erosion and sediment control measures required under the City's grading permit process will also assist in reducing airborne dust generated from exposed soils.

Long-term operational impacts to air quality are expected to be minimal. Following project completion, air emissions will consist primarily of passenger vehicle trips associated with residential development. Although traffic volumes will increase compared to existing conditions, the proposal is consistent with planned residential growth anticipated under the City's Comprehensive Plan and Transportation Comprehensive Plan. Vehicle emissions associated with the project are not expected to result in significant adverse air quality impacts.

Staff Amendment: The Environmental Checklist adequately addresses the issues related to air quality. Temporary construction-related air quality impacts can be minimized through implementation of standard construction best management practices and applicable City requirements. No probable significant adverse impacts to air quality are anticipated.

3. *Water*

a. Surface

The project site contains multiple jurisdictional wetlands, perennial and seasonal streams, associated buffers, and drainage corridors that collectively form part of the Barrante's Creek watershed draining toward Liberty Bay. Surface water resources represent one of the primary environmental constraints affecting development of the property and were the subject of extensive review throughout the permit process.

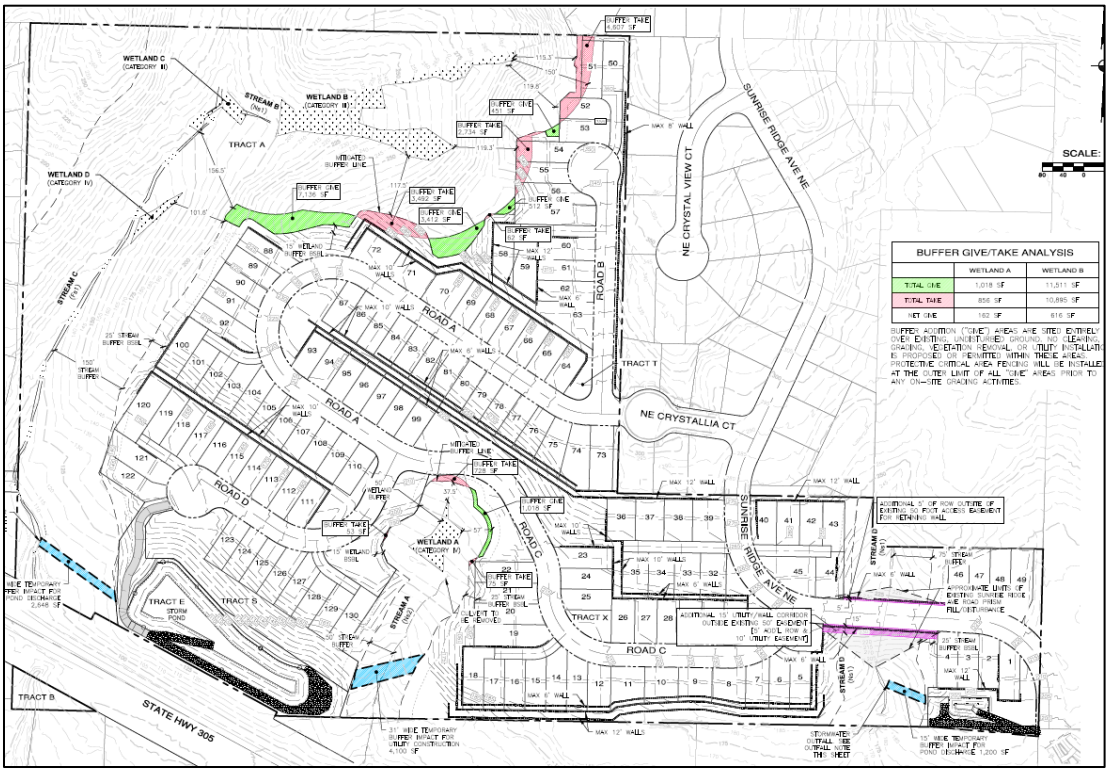
Four jurisdictional wetlands (Wetlands A through D) have been delineated and rated on the property. Wetland A is a Category IV wetland associated with Stream A near the southeastern portion of the site. Wetland B is a Category III wetland located within the northern drainage basin and contributes surface flows toward Barrante's Creek. Wetland C is a Category III wetland adjacent to Barrante's Creek whose buffer was revised to 150 feet following third-party peer review. Wetland D is a Category IV wetland located west of the primary development area and will remain undisturbed. The revised project design incorporates avoidance, buffer averaging where permitted by code, enhancement planting, and restoration measures to protect these wetlands and associated ecological functions.

Several streams occur on or adjacent to the site, including Barrante's Creek (Stream C), which serves as the principal drainage corridor. During review, stream classifications and associated buffer requirements were refined through field investigation and third-party peer review, resulting in revisions to stream buffers, lot layouts, roadway alignments, and open space design. The revised project reflects these updated classifications and associated habitat protection requirements.

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The project plans continued to evolve during technical review, including revisions to grading, roadway improvements, utilities, stormwater facilities, retaining walls, and work within or adjacent to regulated stream and wetland buffers. The applicant submitted additional critical areas documentation and supplemental technical information addressing these revisions, including proposed stream crossings and associated buffer impacts (Exhibit C). The City evaluated these materials for consistency with Chapter 16.20 PMC, including wetland buffer averaging, potential impacts to wetland and stream functions, and the adequacy of proposed mitigation. The revised wetland buffer averaging was found consistent with PMC 16.20.230.E. However, additional technical documentation is necessary to demonstrate compliance with PMC 16.20.320.G for the proposed utility crossing of Stream A and stormwater outfall within the Stream D buffer. Prior to authorization of these disturbances, the applicant shall submit the necessary supplemental technical documentation, mitigation and restoration plans, and supporting information for City review and independent technical review in conjunction with the applicable Tree Cutting and Clearing Permit or other required critical areas authorization. The proposed activities shall not commence until the City has determined that all applicable requirements of Chapter 16.20 PMC have been satisfied.

Figure 2: On-Site Wetlands, Streams, and Proposed Buffer Mitigation (Exhibit C)



Surface water impacts associated with development primarily consist of temporary construction disturbance, roadway and utility crossings, installation of stormwater infrastructure, grading within or adjacent to regulated critical area buffers, and potential construction-related sediment and turbidity impacts. The location and extent of these impacts have been refined through successive technical review cycles, including revisions to infrastructure alignments, grading limits, stream crossings, stormwater facilities, and associated critical area mitigation.

The proposal does not include direct filling of jurisdictional wetlands. Temporary and permanent impacts to wetland and stream buffers are addressed through buffer averaging, enhancement and restoration planting, and other mitigation measures identified in the Critical Areas Report, subsequent addenda, Habitat Management Plan, and revised project plans. Final critical area impacts and mitigation shall comply with Chapter 16.20 PMC and applicable City approval requirements, including additional technical review and approval of the proposed stream and buffer disturbances prior to construction.

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Construction activities will involve substantial clearing, grading, roadway construction, utility installation, and earthwork in proximity to wetlands, streams, and their associated buffers. Temporary erosion and sediment control measures will therefore be required throughout construction to prevent sediment-laden runoff from entering regulated critical areas or downstream receiving waters. Protective measures will include critical area fencing and delineation, temporary stabilization, construction-phase stormwater controls, inspection and maintenance of erosion-control facilities, and other best management practices required through final grading and civil construction review.

Site soil conditions also present an elevated potential for turbidity during construction. Geotechnical information and Engineering Department review identify substantial fine-grained material in portions of the site. Given these soil conditions, the extent of proposed grading, steep site topography, and the proximity of downstream streams and wetlands, conventional gravity-settling measures may not be sufficient under all construction conditions. Final temporary erosion and sediment control design shall therefore provide additional treatment capability, where necessary, to meet applicable turbidity and pH discharge standards. Critical areas and their buffers shall not be relied upon for sediment treatment or removal.

Following construction, runoff generated by new streets, residential development, and other impervious surfaces will be collected, conveyed, treated, detained, and discharged through the project's engineered stormwater management system. Final stormwater design shall comply with applicable City requirements and the Washington State Department of Ecology Stormwater Management Manual for Western Washington and shall demonstrate appropriate treatment, flow control, conveyance, and discharge without creating adverse drainage impacts to adjacent properties or regulated critical areas.

The proposed stormwater facilities will require permanent maintenance access. The applicant has revised the preliminary stormwater facility access configuration in response to Engineering Department review, including revisions intended to accommodate City maintenance vehicles. Final access geometry, grades, turning movements, and all-weather access shall be reviewed through final civil design and shall demonstrate that City maintenance vehicles can safely access and maintain public stormwater facilities. Final retaining wall drainage, groundwater interception, and discharge systems shall likewise be designed so that collected water is conveyed through the approved stormwater system without adversely affecting adjacent properties or critical areas.

Staff Amendment: The Environmental Checklist is amended to incorporate the revised stormwater, grading, critical area, geotechnical, and temporary erosion and sediment control information submitted during technical review. Potential surface water impacts associated with construction-phase erosion and turbidity, critical area disturbance, permanent stormwater runoff, stormwater facility access, and retaining wall drainage have been identified and can be addressed through final engineering design, required critical area mitigation, construction-phase water-quality controls, and compliance with applicable City and Ecology requirements. The proposed Stream A utility crossing and Stream D stormwater outfall and associated buffer disturbances remain subject to additional technical documentation, applicable mitigation requirements, and City approval prior to construction. Subject to implementation of these measures and the mitigation requirements identified in Exhibit A, no probable significant adverse surface water impacts are anticipated.

b. Ground

The project site overlies a designated Critical Aquifer Recharge Area (CARA) identified by the City of Poulsbo. Portions of the site are also located within the one-year and five-year time-of-travel capture zones associated with municipal Group A groundwater wells regulated by the Kitsap Public Health District. Protection of groundwater quality was therefore an important component of environmental review.

The applicant submitted hydrogeologic and geotechnical information evaluating groundwater conditions, soil characteristics, seasonal groundwater observations, and stormwater management approaches. Groundwater was encountered at varying depths depending upon local topography and soil conditions. These groundwater conditions were incorporated into recommendations regarding grading, foundation design, retaining wall construction, and stormwater facility design.

The project has been designed to connect to existing municipal water and sanitary sewer systems. No individual potable wells or on-site septic systems are proposed. Connection to public utilities

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substantially reduces the potential for groundwater contamination commonly associated with individual wastewater disposal systems.

Stormwater treatment facilities are designed to provide water quality treatment prior to discharge in accordance with applicable Department of Ecology standards. During construction, temporary spill prevention measures, fuel handling procedures, and erosion control practices will minimize the potential for groundwater contamination.

Several proposed lots occur within regulated wellhead protection areas. Applicable conditions of approval require continued coordination with Kitsap Public Health District and impose restrictions necessary to protect municipal drinking water supplies prior to issuance of future building permits.

Staff Amendment: The Environmental Checklist adequately addresses groundwater resources. Compliance with the City's Critical Aquifer Recharge Area regulations, Kitsap Public Health District requirements, approved stormwater design, and applicable conditions of approval will minimize potential impacts to groundwater quality.

c. Water Runoff

Stormwater management represented one of the most technically complex components of the environmental review and underwent multiple iterations throughout the permit process. The applicant submitted a comprehensive Drainage Report (Exhibit F) together with supporting hydrologic and hydraulic calculations evaluating existing drainage patterns, developed runoff conditions, water quality treatment, flow control, conveyance systems, and downstream discharge characteristics.

The proposed subdivision will substantially increase the amount of impervious surface through construction of residential lots, public streets, sidewalks, driveways, and associated infrastructure. Without appropriate mitigation, these improvements would increase stormwater runoff volumes and peak discharge rates. Accordingly, the project incorporates a comprehensive stormwater management system designed to capture, convey, treat, and detain runoff prior to discharge.

The City's Engineering Department conducted multiple rounds of review of the Drainage Report and associated civil engineering plans. Revisions were required to address stormwater modeling assumptions, drainage basin delineations, facility sizing, conveyance infrastructure, maintenance access, downstream analysis, and consistency between the civil plans and supporting calculations. These revisions resulted in updated stormwater facility designs and supporting analyses submitted during successive review cycles.

The proposed stormwater management facilities are intended to provide both flow control and water quality treatment consistent with the City of Poulsbo Engineering Design Standards and the Washington State Department of Ecology Stormwater Management Manual for Western Washington. Long-term maintenance responsibility for privately maintained stormwater facilities will be assigned through recorded maintenance agreements and homeowners' association responsibilities, while publicly dedicated facilities will be maintained by the City, as applicable.

Temporary increases in sediment-laden runoff during construction will be addressed through implementation of temporary erosion and sediment control best management practices, construction sequencing, stabilized construction entrances, temporary detention where necessary, and ongoing inspection throughout construction activities.

Staff Amendment: The Environmental Checklist is amended to incorporate the revised Drainage Report, engineering review comments, and revised stormwater design completed during permit review (Exhibit F). Staff concludes that, with implementation of the approved stormwater management system and compliance with applicable City and Department of Ecology standards, the proposal is not expected to result in probable significant adverse impacts associated with stormwater runoff.

4. Plants

The project site is predominantly forested with mature second-growth coniferous and deciduous trees and native understory vegetation typical of the western Kitsap Peninsula. Existing vegetation includes Douglas fir, western red cedar, western hemlock, bigleaf maple, red alder, vine maple, madrone, red huckleberry, salal, Oregon grape, sword fern, salmonberry, evergreen huckleberry, and other native species. Vegetation within wetlands and associated stream corridors includes hydrophytic plant communities supporting important ecological functions.

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A Tree Inventory and Tree Protection Plan (Exhibit E) were prepared to document existing significant trees and identify trees proposed for retention, removal, and replacement. Existing forest cover contributes substantially to wildlife habitat, erosion control, stormwater interception, carbon sequestration, and neighborhood character.

Development of the subdivision will require removal of a substantial number of trees to accommodate roadway construction, utilities, stormwater facilities, residential lots, grading, and associated infrastructure. Tree removal represents one of the primary environmental impacts associated with the proposal.

To reduce these impacts, the proposal incorporates several preservation measures including:

- Retention of significant native vegetation within critical areas and buffers;
- Preservation of large open space tracts;
- Protection of designated tree retention areas;
- Installation of temporary tree protection fencing during construction;
- Supplemental tree planting and landscaping, as identified in the approved Tree Protection Plan and Landscape and Open Space Plan;
- Native landscaping throughout the subdivision; and
- Long-term protection of retained vegetation through homeowners' association maintenance responsibilities.

Approximately one-half of the overall site will remain in open space, including regulated critical areas, native vegetation retention areas, recreation tracts, and associated landscape areas. These retained areas will continue to provide ecological functions including wildlife habitat, slope stabilization, stormwater interception, and visual screening between the proposed subdivision and adjacent properties.

The Landscape and Open Space Plan (Exhibit B) proposes installation of a diverse mixture of native and climate-appropriate trees, shrubs, and groundcovers throughout the development. Street trees, open space plantings, stormwater landscaping, critical area enhancement planting, and residential landscaping will collectively restore portions of the vegetation removed during construction while improving long-term landscape diversity.

Critical area mitigation includes restoration planting within wetland and stream buffer enhancement areas utilizing native species intended to improve habitat complexity, canopy development, and long-term ecological function. These plantings will be monitored in accordance with the approved Habitat Management Plan (Exhibit C).

Construction activities have the potential to damage retained vegetation through soil compaction, root disturbance, stockpiling of materials, or equipment encroachment. Tree protection fencing, construction limits, and inspection requirements will minimize these impacts during construction.

Staff Amendment: The Environmental Checklist is amended to incorporate the Tree Protection Plan (Exhibit E), Landscape and Recreation Plan (Exhibit B), Habitat Management Plan (Exhibit C), and associated technical review completed during permit processing. Although development will result in substantial tree removal and alteration of existing vegetation, the proposal incorporates retention of significant trees, preservation of native vegetation within critical areas and open space tracts, supplemental landscaping, and long-term habitat restoration. These measures, together with applicable tree protection requirements and conditions of approval, are intended to minimize and mitigate impacts to vegetation resources. Subject to implementation of these measures, no probable significant adverse impacts to vegetation beyond those addressed through applicable regulations and project-specific mitigation are anticipated.

5. *Animals*

The project site supports a variety of wildlife species associated with second-growth forest, wetlands, streams, and native shrub communities. Existing habitat provides foraging, nesting, breeding, and movement opportunities for numerous mammals, birds, reptiles, amphibians, and invertebrates common to western Washington.

Barrante's Creek and associated wetlands provide particularly important habitat functions by maintaining aquatic connectivity and supporting riparian vegetation utilized by numerous terrestrial species. Wetlands A through D also provide seasonal habitat for amphibians, small mammals, migratory birds, and aquatic invertebrates.

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During permit review, special attention was given to protection of fish and wildlife habitat conservation areas regulated under Chapter 16.20 PMC. Stream classifications, wetland ratings, habitat buffers, and restoration requirements were extensively reviewed by both the applicant's environmental consultant and the City's third-party critical areas consultant. Multiple revisions to the project layout resulted from these evaluations.

Potential impacts to wildlife include temporary construction disturbance, vegetation removal, habitat fragmentation, increased human activity, roadway traffic, and long-term residential use of the site. These impacts are typical of urban residential development and were considered during preparation of the Habitat Management Plan (Exhibit C).

The proposed utility crossing of Stream A and stormwater outfall within the Stream D buffer also have the potential to temporarily disturb aquatic and riparian habitat. These activities were evaluated through the applicant's critical areas documentation, supplemental technical information, revised plans, and the City's technical review process. Additional information is necessary to fully demonstrate compliance with the applicable critical areas requirements, including mitigation sequencing, restoration of disturbed areas, and protection of stream and habitat functions. The proposed disturbances will require additional City review and approval before construction, as discussed in Section 3(a) of this memorandum.

Mitigation measures incorporated into the proposal include:

- Preservation of regulated critical areas;
- Protection of stream and wetland buffers;
- Native habitat restoration;
- Permanent open space tracts;
- Restriction of future development within protected habitat areas;
- Installation of critical area fencing and signage where appropriate; and
- Long-term maintenance and monitoring of restored habitat.

These measures are intended to preserve habitat connectivity while minimizing long-term impacts to fish and wildlife resources.

No federally listed threatened or endangered species requiring consultation under the Endangered Species Act were identified as being directly affected by the proposal based upon the environmental documentation contained within the administrative record. Archaeological review and tribal consultation were also conducted separately to address cultural resource considerations associated with site disturbance.

Staff Amendment:: The Environmental Checklist is amended to incorporate the revised Critical Area Report, Habitat Management Plan, supplemental technical information, and associated reviews completed during permit processing (Exhibit C). Potential impacts to fish and wildlife habitat associated with vegetation removal, construction disturbance, habitat fragmentation, and proposed stream and buffer disturbances have been identified through environmental review. These impacts will be addressed through preservation of regulated critical areas, protection of associated buffers, habitat restoration, long-term maintenance and monitoring, and additional technical review and mitigation requirements applicable to the proposed Stream A and Stream D disturbances. Subject to implementation of these measures and applicable conditions of approval, no probable significant adverse impacts to fish and wildlife resources are anticipated.

6. *Energy and Natural Resources*

Construction of the proposed subdivision will require consumption of fuel, electricity, construction materials, aggregate, concrete, asphalt, timber products, steel, and other building materials commonly associated with residential development.

Upon completion, the project will increase long-term demand for electricity, natural gas (if provided), potable water, sanitary sewer service, and other public utilities commensurate with development of 130 single-family residences.

The proposal utilizes existing municipal infrastructure and is located within the City's designated Urban Growth Area where urban development and extension of public utilities are anticipated under the Poulsbo Comprehensive Plan.

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Development will permanently convert approximately 41 acres of predominantly forested land into an urban residential neighborhood. Although this represents an irreversible commitment of natural resources, the conversion is consistent with the City's adopted land use designation and planned urban growth strategy.

No unique mineral resources, agricultural resources, commercial timber resources, or extractive resource lands regulated under state law have been identified on the property.

Staff Amendment: The Environmental Checklist adequately addresses issues related to energy consumption and natural resources. No probable significant adverse impacts beyond those normally associated with urban residential development are anticipated.

7. *Environmental Health*

Construction activities will temporarily increase noise levels associated with vegetation clearing, grading, utility installation, roadway construction, and building construction. Construction noise will occur intermittently during approved working hours and will be regulated through applicable City ordinances governing construction activities.

Dust, equipment emissions, construction-related truck traffic, noise, and temporary traffic disruptions may also occur during construction, particularly given the extent of proposed grading and anticipated phased development. These impacts will be minimized through implementation of construction best management practices, erosion and sediment control measures, approved construction traffic management requirements, and applicable City regulations. Construction planning shall also address protection of adjacent residential streets, management of construction-related dust and sediment tracking, and maintenance of safe access for residents and emergency responders throughout construction.

Following construction, environmental health impacts associated with residential occupancy are expected to consist primarily of routine residential traffic, domestic noise, household solid waste generation, and increased demand for public services.

The project will be served by public water and sanitary sewer systems, thereby eliminating environmental health risks commonly associated with private wells and on-site septic systems.

Stormwater treatment facilities are designed to improve runoff quality before discharge, reducing the potential for downstream water quality degradation.

Solid waste collection will be provided through the City's franchised waste collection system. Fire protection, emergency medical services, and law enforcement services will continue to be provided by existing public agencies serving the area.

The project site contains regulated wellhead protection areas associated with municipal water supplies. Applicable conditions of approval require continued compliance with Kitsap Public Health District requirements and applicable critical aquifer recharge area regulations to protect public drinking water resources.

Construction activities also have the potential to encounter previously unidentified archaeological materials. Accordingly, cultural resource protection measures and inadvertent discovery procedures are required consistent with applicable state regulations and agency coordination completed during project review.

Staff Amendment: The Environmental Checklist is amended to incorporate agency review, applicable utility requirements, critical aquifer recharge protections, and cultural resource procedures. Subject to compliance with applicable regulations and conditions of approval, no probable significant adverse environmental health impacts are anticipated.

8. *Land and Shoreline Use*

The approximately 41.41-acre site is designated Residential Low (RL) by the City of Poulsbo Comprehensive Plan and is zoned Residential Low (RL). Existing development on the property consists of a single-family residence, accessory improvements, forested open space, wetlands, streams, and associated critical areas. Surrounding properties are developed primarily with low-density residential neighborhoods, public streets, and protected open space, with State Route 305 located south of the site.

The proposal would convert an undeveloped, largely forested property into a residential subdivision containing 130 detached single-family residential lots, public streets, utilities, stormwater facilities, recreational amenities, and permanent open space tracts. This conversion represents an anticipated urbanization of land designated for residential growth within the City's adopted Comprehensive Plan.

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Throughout permit review, the project design was modified multiple times to improve consistency with applicable critical area regulations, transportation requirements, utility design standards, and overall site planning objectives. Revisions included modifications to roadway alignments, lot configurations, open space tracts, stormwater facilities, and critical area buffers.

Environmental review under SEPA is separate from the City's land use approval process. Although the proposal is subject to review under the Planned Residential Development, Preliminary Subdivision, Critical Areas Ordinance, and other provisions of the Poulsbo Municipal Code, compliance with those development regulations is addressed through the associated land use decision rather than through SEPA.

Staff Amendment: The Environmental Checklist adequately addresses existing and proposed land uses. The proposal would convert forested property to urban residential development consistent with the City's adopted land use designation. No probable significant adverse land use impacts beyond those associated with planned urban development are anticipated.

9. *Housing*

The proposal would create 130 detached single-family residential lots served by public streets, utilities, stormwater facilities, parks, open space, and associated infrastructure. The City of Poulsbo has identified a continuing need for additional housing opportunities through its adopted Comprehensive Plan.

The proposal would increase the City's housing inventory through construction of new market-rate single-family housing. No existing residential neighborhoods would be displaced, and only one existing residence located on the project site would be removed as part of redevelopment.

Staff Amendment: The Environmental Checklist adequately addresses housing. The proposal would contribute to the City's planned housing supply while utilizing existing municipal services and infrastructure. No probable significant adverse housing impacts are anticipated.

10. *Aesthetics*

The existing site is characterized by mature forest, natural topography, wetlands, streams, and limited residential development. The existing vegetation provides substantial visual screening between adjacent neighborhoods and contributes to the natural character of the area.

Development of the subdivision will substantially alter the visual appearance of the property through removal of existing vegetation, grading, roadway construction, residential development, retaining walls, landscaping, and associated infrastructure.

Although these changes will permanently alter the existing appearance of the site, visual impacts have been reduced through preservation of significant open space tracts, retention of critical area vegetation, installation of landscaping, and incorporation of recreation areas throughout the development.

Street trees, landscaped entrances, open space improvements, and native plantings will provide long-term visual enhancement following project completion. As newly planted vegetation matures, portions of the subdivision will gradually regain tree canopy and visual screening currently provided by existing vegetation.

Temporary visual impacts associated with construction equipment, stockpiled materials, and exposed soils will occur during construction but are expected to diminish following completion of development and landscape establishment.

Staff Amendment: The Environmental Checklist adequately addresses aesthetic impacts. Although development will substantially change the appearance of the property, these changes are consistent with anticipated urban residential development and will be moderated through retained open space, landscaping, and restoration planting. No probable significant adverse aesthetic impacts are anticipated.

11. *Light and Glare*

Construction activities may require temporary lighting during periods of limited daylight; however, construction lighting will be temporary and limited to periods necessary to safely complete authorized work.

Following project completion, new lighting will consist primarily of residential building lighting, public street lighting, pedestrian lighting, and vehicle headlights associated with normal neighborhood activity.

Exterior lighting will be designed consistent with applicable provisions of the Poulsbo Municipal Code to minimize glare onto adjacent properties while providing adequate illumination for pedestrian safety, vehicular circulation, and public infrastructure.

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Retention of existing vegetation within open space tracts and critical area buffers will continue to provide visual screening between portions of the development and adjoining residential neighborhoods.

Staff Amendment: The Environmental Checklist adequately addresses lighting impacts. Exterior lighting associated with the subdivision is not anticipated to create probable significant adverse impacts when designed in accordance with applicable City standards.

12. *Recreation*

The proposal includes construction of neighborhood recreational amenities, open space tracts, pedestrian pathways, and community gathering areas intended to serve future residents. These facilities are designed to satisfy Planned Residential Development open space requirements and provide opportunities for passive recreation within the development.

The project also preserves substantial areas of permanent open space associated with critical areas and natural drainage corridors. Although these areas primarily serve environmental protection functions, they contribute to the overall recreational character of the development by preserving natural landscapes and pedestrian connections.

Development of additional housing may increase demand for City parks, trails, and recreational facilities. The project will be subject to applicable park impact fees and other development requirements intended to support expansion of public recreational facilities as growth occurs.

No existing public parks or recreational facilities will be displaced by the proposal.

Staff Amendment: The Environmental Checklist adequately addresses recreation. The proposal incorporates recreational amenities and contributes to future park improvements through applicable impact fees. No probable significant adverse impacts to recreation are anticipated.

13. *Historic and Cultural Preservation*

The project site has not been identified as containing any designated historic structures, properties listed on the National Register of Historic Places, or locally designated historic landmarks. The existing residence located on the property is proposed for removal as part of redevelopment and has not been identified as a protected historic resource.

Because of the site's location within an area of known archaeological sensitivity, consultation was conducted with the Washington Department of Archaeology and Historic Preservation (DAHP) and the Suquamish Tribe during permit review. The Suquamish Tribe requested that an archaeological survey be completed prior to ground-disturbing activities because of the potential for previously unidentified cultural resources associated with long-term Indigenous use of the Liberty Bay area.

The applicant shall complete a professional archaeological survey prior to commencement of ground-disturbing activities, consistent with the applicable SEPA mitigation measures. The survey shall be completed by a qualified archaeological professional, with findings and recommendations submitted to the City and coordinated with the Washington Department of Archaeology and Historic Preservation and affected Tribes, as applicable. Any additional protection measures identified through the survey shall be addressed prior to authorization of ground disturbance. Should archaeological resources, human remains, or other cultural materials be discovered during construction, work within the vicinity of the discovery shall cease immediately, and applicable notification and inadvertent discovery procedures shall be implemented in accordance with state law.

Implementation of these procedures will reduce the potential for inadvertent impacts to previously unidentified archaeological resources.

Staff Amendment: The Environmental Checklist is amended to incorporate consultation with the Washington Department of Archaeology and Historic Preservation and the Suquamish Tribe, together with the archaeological protection requirements identified during environmental review. Subject to completion of the required archaeological survey, implementation of any additional protection measures identified through that process, and compliance with applicable inadvertent discovery procedures, no probable significant adverse impacts to historic or cultural resources are anticipated.

14. *Transportation*

Transportation-related environmental impacts have been evaluated through the revised Transportation Impact Analysis (TIA), supplemental access and connectivity analyses, revised engineering plans,

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transportation and emergency response evaluations, and the Engineering Department's companion SEPA Memorandum.

The proposed 130-lot residential subdivision will generate additional vehicular, pedestrian, bicycle, service, and emergency response trips. The applicant's revised TIA (Exhibit G) evaluates existing and projected traffic conditions, trip generation and distribution, intersection operations, level of service, pedestrian circulation, and transportation improvements. The City's Engineering Department and independent transportation consultant reviewed these materials to identify necessary improvements and mitigation measures.

A significant consideration during environmental review was the adequacy and reliability of the proposed roadway access configuration. Although the subdivision proposes two connections to the existing street network, both ultimately rely upon the Sunrise Ridge Avenue NE corridor. The City's Engineering Department and Fire Code Official evaluated roadway connectivity, access redundancy, emergency response reliability, roadway grades, site topography, and potential access disruptions (Exhibit G). Based upon this evaluation, the City determined that an additional independent roadway connection to Baywatch Court NE is necessary to address roadway connectivity and emergency access requirements.

The applicant submitted supplemental analyses addressing the feasibility of the Baywatch Court NE connection and potential future connections to adjacent properties (Exhibit G). These materials were evaluated in conjunction with the applicable development standards, transportation analyses, and emergency response considerations. The Engineering Department's companion SEPA Memorandum provides the detailed technical evaluation and findings associated with these issues.

Additional transportation considerations include pedestrian and bicycle circulation, student walking routes, construction traffic, haul routes, roadway protection, and maintenance of emergency access during construction. These impacts will be addressed through applicable transportation improvements, construction traffic management requirements, and project-specific mitigation measures.

Staff Amendment: The Environmental Checklist is amended to incorporate the revised Transportation Impact Analysis, supplemental access and connectivity analyses, transportation and emergency response evaluations (Exhibit G), and the findings of the Engineering Department's companion SEPA Memorandum. The environmental record identifies potential impacts associated with traffic generation, roadway connectivity, access redundancy, emergency response, pedestrian safety, and construction traffic. These impacts can be addressed through required roadway improvements, construction traffic management, and the SEPA mitigation measures. Subject to implementation of those measures, including the required Baywatch Court NE connection, no probable significant adverse transportation impacts are anticipated for purposes of SEPA.

15. *Public Services*

The following discussion provides additional clarification based upon agency coordination, emergency response evaluations, and the Engineering Department's companion SEPA Memorandum.

The proposed 130-lot residential subdivision will increase demand for public services, including police protection, fire protection, emergency medical response, schools, parks, library services, and general municipal services. The project is located within the service areas of the Poulsbo Fire Department, Poulsbo Police Department, North Kitsap School District, Kitsap Regional Library, and other local governmental service providers. Applicable impact fees, utility charges, and development requirements will assist in accommodating additional demand associated with residential growth.

Emergency access and response reliability were important considerations during environmental review. The Poulsbo Fire Department evaluated the proposed roadway configuration and identified concerns regarding reliance upon the Sunrise Ridge Avenue NE corridor for access to the subdivision (Exhibit G). As discussed in Section 14, the City determined that an independent roadway connection to Baywatch Court NE is necessary to address roadway connectivity and emergency access requirements (Exhibit G). The Engineering Department's companion SEPA Memorandum provides the detailed technical findings supporting this determination.

Construction activities may temporarily affect emergency access and public service operations. Construction sequencing, traffic control, and maintenance of emergency access shall be addressed through applicable construction permit requirements and the consolidated SEPA mitigation measures.

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No public schools, governmental facilities, or existing public service infrastructure will be displaced by the proposal.

Staff Amendment: The Environmental Checklist is amended to incorporate the emergency response evaluations, agency coordination, and findings documented in the Engineering Department's companion SEPA Memorandum. The environmental record identifies potential impacts associated with increased demand for public services and the reliability of emergency access to the subdivision. Subject to implementation of the SEPA mitigation measures, including the required Baywatch Court NE connection, and compliance with applicable development requirements, no probable significant adverse impacts to public services are anticipated.

16. *Utilities*

The following discussion supplements the checklist based upon revised utility plans, engineering studies, agency coordination, and the Engineering Department's companion SEPA Memorandum.

The proposed 130-lot residential subdivision will be served by the City of Poulsbo's municipal water and sanitary sewer systems, together with stormwater infrastructure and other utility providers. Proposed improvements include new water mains, sanitary sewer mains, storm drainage facilities, electrical and telecommunications infrastructure, and associated utility connections necessary to serve the development.

Utility capacity, system improvements, water distribution, fire flow, sanitary sewer conveyance, and long-term maintenance requirements were evaluated during permit review. The Engineering Department's companion SEPA Memorandum provides the detailed technical findings regarding the proposed utility systems, necessary improvements, and applicable engineering requirements.

Installation of utility infrastructure will require excavation, trenching, grading, and associated ground disturbance. Certain utility improvements are proposed within or adjacent to regulated critical areas, including the proposed utility crossing of Stream A. As discussed in Section 3(a), additional technical documentation and City review are necessary to demonstrate compliance with applicable critical areas requirements before the proposed stream and buffer disturbances may be authorized. Required mitigation and restoration measures shall be implemented in accordance with the applicable critical areas approvals and consolidated SEPA mitigation measures.

The proposed sanitary sewer system also includes infrastructure within or adjacent to Washington State Department of Transportation (WSDOT) right-of-way. Installation of sanitary sewer infrastructure within WSDOT right-of-way will require the applicable authorization and agreement between the City and WSDOT prior to issuance of the associated grading or civil construction permit.

Final utility design shall address required separation from retaining walls and associated structural reinforcement, permanent maintenance access, protection of critical areas, and other applicable City engineering requirements. Construction-related disturbances shall be stabilized and restored in accordance with approved plans and applicable permit requirements.

Following construction, utility infrastructure will be maintained by the City, utility providers, or homeowners' association, as appropriate, consistent with approved plans, applicable agreements, and conditions of approval.

Staff Amendment: The Environmental Checklist is amended to incorporate the revised utility studies and plans, agency coordination, and engineering findings documented in the Engineering Department's companion SEPA Memorandum. Potential environmental impacts associated with utility construction, stream and buffer disturbances, infrastructure operation, and long-term maintenance have been evaluated through the environmental review process. Subject to implementation of the consolidated SEPA mitigation measures, completion of required critical areas review and approvals, acquisition of necessary WSDOT authorization, and compliance with applicable engineering requirements, no probable significant adverse utility impacts are anticipated.

Public Comments Received During the Optional DNS Comment Period

The City issued a Revised Notice of Application utilizing the Optional DNS process pursuant to WAC 197-11-355. The notice provided an opportunity for agencies, affected tribes, neighboring property owners, and interested members of the public to submit comments regarding the proposal and its potential environmental impacts prior to issuance of the SEPA threshold determination.

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The Responsible Official has reviewed and considered the comments received during the Optional DNS comment period, which are included in Exhibit I and maintained as part of the administrative record for Planning File No. P-06-20-25-03.

Comments received during this period raised concerns regarding the adequacy of the Environmental Checklist and potential environmental impacts associated with the proposed development. These included grading and geologic hazards, retaining walls, groundwater management, stormwater drainage, potential impacts to adjacent residential properties, vegetation removal, wildlife habitat, and construction-related impacts.

Specific comments questioned the applicant's characterization of the proposed residences as serving the middle-income housing market under Environmental Checklist Item 9(a), including the absence of established housing prices or other supporting information. Other comments requested confirmation that the environmental review adequately evaluated retaining wall construction, groundwater management, drainage systems, and associated long-term maintenance responsibilities.

The Responsible Official considered these comments in conjunction with the applicant's Environmental Checklist, technical reports, revised engineering plans, independent peer reviews, and other environmental information contained within the administrative record. The environmental issues identified in the comments are addressed, as applicable, within the corresponding environmental elements of this memorandum, including the staff amendments to the Environmental Checklist and the mitigation measures identified in Exhibit A.

Following consideration of the comments received during the Optional DNS comment period and the supporting environmental documentation, the Responsible Official has determined that the identified environmental impacts can be addressed through applicable regulatory requirements and project-specific mitigation measures, as described in this memorandum.

Conclusions and Recommendations:

The Responsible Official has reviewed the Environmental Checklist submitted by the applicant together with the administrative record developed during review of Planning File No. P-06-20-25-03. The environmental record includes technical studies and addenda, revised engineering and site plans, agency and departmental comments, public comments received during the Revised Notice of Application with Optional DNS comment period, supplemental feasibility and technical analyses, independent technical reviews, and other information submitted throughout multiple review cycles. The City's environmental review is documented through companion memoranda prepared by the Planning and Economic Development Department and the Engineering Department, supported by a common administrative record, consistent exhibits, and consolidated SEPA mitigation measures.

The proposal involves development of approximately 41.41 acres into a 130-lot residential subdivision together with associated public streets and infrastructure, utilities, stormwater facilities, recreational amenities, landscaping, critical area mitigation, and permanent open space. Environmental review identified several principal areas requiring detailed evaluation, including grading and geologic hazards; retaining walls and slope stability; wetlands, streams, and associated buffers; construction-phase erosion and water quality; permanent stormwater management; tree removal and wildlife habitat; groundwater protection; transportation, access redundancy, and emergency response; utilities; and archaeological and cultural resources.

Throughout permit review, the applicant revised the proposal in response to comments from City departments, reviewing agencies, technical consultants, and members of the public. Revisions included modifications to roadway alignments and profiles, grading limits, retaining walls, stormwater facilities and access, utility layouts, critical area impacts and mitigation, lot configurations, landscaping and habitat protection measures, and transportation and engineering analyses. Supplemental materials were also submitted addressing roadway connectivity, potential connections to adjacent properties, emergency access, stream crossings, geotechnical conditions, and other environmental issues identified during technical review.

Based upon review of the administrative record, including the findings documented in both companion SEPA memoranda, the Responsible Official finds that the probable environmental impacts associated with the proposal have been identified and evaluated to the extent necessary for purposes of SEPA. Potential impacts associated with earthwork, erosion and construction-phase water quality, wetlands and streams, fish and wildlife habitat, stormwater management, groundwater protection, transportation and emergency access, utilities, and other environmental elements can be avoided, minimized, or mitigated through compliance with applicable federal, state, and local regulations; implementation of applicable technical recommendations and mitigation plans; required

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subsequent permit review and approvals; and implementation of the consolidated SEPA mitigation conditions S1–S59 identified in Exhibit A.

Transportation and emergency-access review identified particular concerns regarding roadway connectivity, access redundancy, and reliance upon the Sunrise Ridge Avenue NE corridor. The applicant submitted supplemental feasibility analyses addressing the Baywatch Court NE connection and potential future connections to properties south of the project site. Following evaluation of these materials, the City's Engineering Department and Fire Code Official determined that an independent roadway connection to Baywatch Court NE is necessary to address roadway connectivity and emergency access requirements. The environmental impacts associated with the proposed access configuration are addressed through the required connection and associated transportation and emergency-access mitigation measures identified in Exhibit A. Detailed technical findings are documented in the Engineering Department's companion SEPA memorandum. Separate determinations regarding compliance with applicable street connectivity, roadway design, Preliminary Subdivision, and PRD approval criteria will be made through the underlying land use review process.

Environmental review also identified proposed disturbances associated with the Stream A utility crossing and the stormwater outfall within the Stream D buffer that require additional technical documentation and City review. These activities remain subject to demonstration of compliance with Chapter 16.20 PMC, including applicable mitigation sequencing, impact minimization, restoration, and other critical areas requirements. The consolidated SEPA mitigation measures and applicable subsequent permit requirements establish the additional review and approval necessary before these disturbances may be authorized. The Responsible Official's environmental determination does not constitute approval of these activities or authorize ground disturbance within regulated critical areas.

The Responsible Official further finds that the proposal is subject to environmental protection through existing regulations and subsequent permit review, including Chapter 16.20 PMC (Critical Areas), applicable City engineering and construction standards, the Washington State Department of Ecology Stormwater Management Manual for Western Washington, applicable building and fire code requirements, Kitsap Public Health District requirements, and other applicable local, state, and federal regulations. These regulatory requirements, together with the project-specific mitigation conditions S1–S59 identified in Exhibit A, provide mechanisms to address identified environmental impacts during final design, construction, and subsequent development of the subdivision.

The Responsible Official's environmental determination does not constitute approval of the Preliminary Subdivision or Planned Residential Development, nor does it constitute a determination that the proposal satisfies all applicable development regulations. Compliance with street connectivity, roadway design, subdivision access, critical area standards, PRD criteria, Preliminary Subdivision approval criteria, and other applicable development regulations will be separately evaluated through the City's land use review and decision process. The purpose of this determination is to evaluate probable significant adverse environmental impacts and determine whether those impacts can be adequately addressed through applicable regulations and mitigation measures.

Accordingly, based upon the information contained within the administrative record, the findings documented in the companion PED and Engineering SEPA memoranda, and subject to implementation of the consolidated SEPA mitigation conditions S1–S59 identified in Exhibit A, the Responsible Official concludes that the proposal is not expected to result in probable significant adverse environmental impacts requiring preparation of an Environmental Impact Statement.

Recommended Mitigations: See attached Exhibit A.

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Date: 11/2/26 **Signature:** Signed by: Nikole Coleman D9A8CE1FAD904D4...