EXHIBIT 12.c.ii: Engineering Department Memo

ENGINEERING DEPARTMENT
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MEMO

To: Heather Wright, SEPA Responsible Official
From: Michael Bateman, PE | Transportation Engineer
Subject: SEPA RECOMMENDATION | Pinnacle at Liberty Bay PRD | P-06-20-25-03
Date: October 29, 2026

The Engineering and Public Works departments have reviewed the project known as Pinnacle at Liberty Bay PRD, SEPA checklist and associated application materials in accordance with codes and regulations under the department's purview. The departments offer the following analysis of the project proposal, staff recommended SEPA determination and associated recommended mitigation for the project.

Applicant: Montebanc Management LLC, John Everett

Location:

The Pinnacle at Liberty Bay PRD project is located on four properties identified in the table below. Project is East of the existing Baywatch subdivision, and to the West and South of the existing Crystal View subdivision in Poulsbo, WA. There is one existing residence on parcel 242601-3-005-2006.

Project Properties Property Address | Kitsap County Assessor Parcel Numbers | Owner | Owner Address
No address | 232601-4-001-2009 | Johnson Forest Land, LLC | 1913 34th Ave W, Seattle, WA 98119
No address | 232601-3-003-2008 | Johnson Forest Land, LLC | 1913 34th Ave W, Seattle, WA 98119
No address | 242601-3-018-2001 | Owl Ridge LLC | 10470 Battle Pt Dr NE, Bainbridge Island, WA 98110
17505 Sunrise Ridge Ave NE | 242601-3-005-2006 | Uhl Malauri | 10470 Battle Pt Dr NE, Bainbridge Island, WA 98110

Project Description:

The project proposes a planned residential development to subdivide approximately 41 acres of undeveloped land into 130 single-family residential lots with associated roadways, utilities, and open space. The site includes a segment of Barrante's Creek near the Western project boundary and wetlands on- and off-site. Tree retention is located in tracts including creek and wetland buffers. Stormwater will be managed using detention ponds/treatment facilities. Roadways will provide primary access to the development via a newly constructed extension of Sunrise Ridge Avenue NE and connect to the Baywatch Subdivision and SR305 via required completion of planned new roadway NR-12. Storm, sewer and water utilities will connect to existing City systems in SR305, Baywatch Ct NE and Johnson Parkway. Water main will loop through the project and connect to existing mains in Baywatch Ct NE, Johnson Parkway NE and NE Crystallia Ct. The project was determined technically complete on August 14, 2025.

Environmental Record/Exhibits:

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

Civil Plan Set (Exhibit B)

- Overall Site Plan and Phasing Plan
- Preliminary TESC Plan
- 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)
- Retaining Wall and Landscape Narrative (9/16/26)
- Individual Identity Plan, Home Designs, and Narrative (9/16/26)

Critical Areas – Wetlands and Streams (Exhibit C)

- Wetland Buffer Averaging Civil Sheet
- SWC Pinnacle at Liberty Bay Critical Area Report & Habitat Management Plan (7/14/25)
- Grette Associates Peer Review No. 1 (8/29/25)
- SWC Critical Area Report Addendum No. 1 (11/19/25)
- Grette Associates Peer Review No. 2 (12/4/25)
- SWC Critical Area Report Addendum No. 2 (4/6/26)
- Grette Associates Peer Review No. 3 (4/27/26)
- SWC Critical Area Report Addendum No. 3 (9/15/26)
- 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 October 2026)
- Traffic Impact Analysis (Revised November 2025)
- Parametrix Peer Review (9/8/25)
- Parametrix Peer Review (7/1/26)
- Parametrix Peer Review (9/2/26)
- Parametrix Peer Review (10/25/26)
- Parametrix Connection Road Feasibility Independent Review (9/16/2026)
- WSDOT review comments (10/21/26)
- 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 10/27/26)
- Engineering Memo – Project Areas and Access Points ICC Code Interpretation (10/28/26)

Water (Exhibit H)

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

SEPA Materials (Exhibit I)

- Revised Notice of Optional w/Optional DNS
- Commented SEPA Checklist
- Public Comment Received during ODNS 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 3 PMC, 3.86 Transportation Impact Fees
- Transportation Impact Fees Technical Document dated April 2026 attached to PMC 3.86
- Title 12 PMC, 12.02 Construction and Development Standards
- Title 14 PMC, 14.04 Concurrency
- Title 17 PMC, Land Division
- Title 18 PMC, Zoning
- Title 19 PMC, Permit Processing Procedures
- City of Poulsbo Comprehensive Plan and associated functional plans
- Revised Code of Washington RCW 58.17
- International Fire Code (IFC)

Coordination of SEPA Review Memoranda:

The City's environmental review is documented through companion memoranda prepared by the Engineering Department and the Planning and Economic Development (PED) 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 following sections correspond with related categories of the environmental checklist submitted for the proposal, and clarify, amend or add to that document.

Environmental Checklist Elements:

1. **Earth**

   Geotechnical Engineering Study prepared by Aspect Consulting

   The applicant submitted a Geotechnical Engineering Report prepared by Aspect Consulting dated February 13, 2025, an Addendum dated June 16, 2025, a Response to City of Poulsbo Third-Party Geotechnical Review Comments dated November 24, 2025, a Second Addendum dated June 17, 2026 and a Third Addendum dated September 9, 2026. These reports evaluated potential geologically hazardous areas on the site, groundwater conditions, soil conditions, slope stability, and geotechnical design considerations associated with site development. The City's peer reviewer HWA Geosciences, Inc completed peer review of the submittals in addition to staff review.

   The reports conclude that development can occur without undue risk to public health, mapped geotechnical hazard areas will not be adversely affected, no additional setbacks are warranted beyond those shown on the plans, and that retaining walls shown on the plans are feasible subject to final geotechnical design and construction oversight by the geotechnical engineer.

   Of note – the evaluation of site soils indicates that the bulk of the site soils have very high fines content – up to 87%. These soils are generally not suitable for structural fill, nor do they meet City requirements for roadway embankment fill. The report makes initial recommendations for the possibility of soil amendment in order to be able to use on-site soils as structural fill. If this is to be contemplated, the City will require additional submittals detailing the methods of control of materials, suitability determination, any soil amendment methods proposed and an oversight and testing plan for City Engineer review and approval with grading permit submittal. These soil types are also typically not suitable for construction during wet weather conditions. If wet weather construction is contemplated, a detailed wet weather construction plan will be required with grading permit submittal detailing materials to be used, construction methods and material control and testing.

   Staff have reviewed the geotechnical report and subsequent amendments and concur with the conclusions and recommendations in general, with the condition that a final geotechnical report addressing management and usage of import soils, site soils, any proposals for soil amendment and a robust wet weather construction plan be submitted with the grading permit for review, and that all retaining walls and/or engineered retaining structures will require building permits with the associated required structural engineering documentation.

2. Air
3. Water
    a. Surface
    b. Ground
    c. Water Runoff

Stormwater Drainage Report prepared by ESM Consulting Engineers, LLC

A stormwater drainage report was prepared by ESM Consulting Engineers, LLC to address required mitigation of site development per the required 2019 Stormwater Management Manual for Western Washington (SWMMWW). The stormwater report was peer reviewed by the City's peer review consultant BHC. The peer review is dated 10/1/25. Stormwater manual minimum requirements are discussed in stormwater report Section 5.

The project area includes approximately 41 acres of site area, of which approximately 23.8 acres will be developed and approximately 17.2 acres will remain undeveloped in tracts, wetlands, buffers, etc. The site includes four wetlands (A-D) and four streams including Barrantes Creek and three unnamed streams. The project area is separated into two different drainage basins (Threshold Discharge Areas). The West TDA discharges to Barrantes Creek and unnamed Stream A, then ultimately to Liberty Bay. The East TDA discharges to an unnamed stream (Stream D), which ultimately reaches Liberty Bay. Existing site conditions, drainage basins and downstream flow paths are discussed in Stormwater Drainage Report Sections 1-3.

Wetlands, streams and other critical areas and their associated ratings and buffer areas are more fully described and analyzed in the Critical Area Report and Habitat Management Plan dated July 14, 2025 prepared by Sewall Wetland Consulting, Inc. and subsequent addendums 1-3. These ratings and buffers inform design and wetland modeling and protection requirements for the project's stormwater system design contained in the 2019 DOE Stormwater Management Manual for Western Washington. This report also contains a mitigation plan and associated mitigation monitoring program ensuring project success and compliance with the requirements of the City's critical areas code and requirements.

Section 5 of the drainage report summarizes the minimum requirements for compliance per the stormwater manual, and how the project will comply with the requirements. Further sections discuss each requirement in detail.

The project includes a large stormwater detention pond and treatment vault combination system providing both flow control and water quality treatment to enhanced standards for the West basin, and a smaller pond and treatment vault combination system providing flow control and water quality treatment to enhanced standards for the East basin. Pollution generating impervious surfaces are all routed to these detention/treatment system via a piped conveyance system and will meet the required forested condition flow control standard as required by the stormwater manual. Compliance with these requirements is discussed in the report, and flow control modeling/vault design calculations demonstrating compliance are provided in the appendices to the report. All discharges from this project to the downstream conveyance system meet or exceed the enhanced treatment standard for water quality.

The stormwater drainage report, Geotech report, associated stormwater system design presented in the drainage report, critical area study and mitigation plan and the project preliminary plat drawings has been reviewed by staff, the City's stormwater peer reviewer BHC and the City's critical areas consultant Grette.

Preliminary TESC and grading plan, ESM Consulting Engineers, LLC, dated September 16, 2026
The TESC plan submitted shows grading and a conceptual plan for TESC measures to be taken. The plan includes items such as soil amendment recommendations that as of yet have not been reviewed nor approved by the City Engineer. The TESC plan also indicates that the contractor shall maintain the ability to mobilize advance treatment systems such as Baker tanks or Chitosan enhanced sand filtration. Given the very high site soil fines content (up to 87% fines), the steep topography and the sensitivity of the receiving waters, traditional gravity settling will not be adequate to achieve the required turbidity for site discharge. The project will be required to have an advanced filter/treatment system on-site from the start of construction. The final stormwater report and final TESC plan will be required to address turbidity control and water quality monitoring, as well as any potential effects of the proposed soil amendment on water quality and PH management and the associated plan to properly control the project's discharge quality and quantity.

A final Stormwater report and TESC plan will be required with the grading permit submittal.

Staff and the City's peer reviewers concur that with the recommended project conditions of approval and SEPA mitigation, the project has demonstrated project feasibility of compliance with the requirements of the 2019 DOE Stormwater Management Manual for Western Washington sufficient for staff to recommend project approval subject to conditions.

4. Plants
5. Animals
6. Energy and Natural Resources
7. Environmental Health
8. Land and Shoreline Use
   The project includes no work or impacts within the shoreline buffer or 100 year regulatory flood plain.

9. Housing
10. Aesthetics
11. Light and Glare
12. Recreation
13. Historic and Cultural Preservation
    No known potential cultural resource impacts have been identified for this project. As requested by the Suquamish Tribe, the project will be required to have a cultural resources site study performed prior to construction, and during project construction the project's contractor will be required to have an Inadvertent Discovery Plan on-site documenting procedures to be followed in the case of an inadvertent cultural resource discovery.

    Staff concur that with the recommended project conditions of approval and SEPA mitigation, the project has demonstrated feasibility of compliance with cultural resources requirements.

14. Transportation

    Staff have reviewed the project materials submitted and determined that as proposed in the project documentation with mitigation proposed and the removal of the required new roadway NR-12 connection to the Baywatch subdivision the primary access roadway network proposed

does not meet adopted City Codes, Standards and requirements. Additionally, the project as proposed does not provide for feasible future connections to adjacent parcels as required by City codes. As such project approval will be conditioned to require the completion of new roadway NR-12 to the adjacent Baywatch subdivision and provide for future connection to adjacent parcel 252601-2-034-2002 to the South.

Analysis of these requirements follows here and is further detailed in Engineering Memo Connectivity and Multiple Points of Access/Egress dated October 28, 2026, as well as supporting documents Poulsbo Fire District Operational Emergency Response Considerations memo dated July 28, 2026, City Building/Fire Code Official Access and Emergency Egress Review memo dated August 19, 2026 and Engineering Memo – Project Areas and Access Points ICC Code Interpretation dated October 28, 2026. These documents are contained in Exhibit G.

Poulsbo Municipal Code 17.80.050 Street Standards and 17.80.060 Street Connectivity

PMC 17.80.050(C) requires that preliminary plats shall provide for at least two different standard routes for ingress and egress, noting that the future street connection requirements contained in PMC 17.80.060 shall contribute to meeting this requirement. PMC 17.80.050(C)(2) further indicates that a secondary emergency access road of a minimum of twenty feet unobstructed width that connects to a different street than the primary access points may serve to meet these requirements and provides criteria where this alternative may be acceptable. A secondary emergency access roadway may also serve as an access and utility easement for any required utility connections.

PMC 17.80.050 Street Standards.

A. Each lot or unit within the subdivision shall have direct access to a public or private street. No new direct driveway access from individual residential lots onto divided major arterials, major arterials, minor arterials, neighborhood collectors shall be permitted, unless otherwise approved by the city engineer.

B. All street frontage improvements, new street design, grades, widths, street lighting and construction shall comply with the standards and specifications as set forth in the city's construction standards and specifications, including current ADA standards. Additional right-of-way may be required where future conditions and development impacts warrant, or where topographical requirements necessitate cuts or fills for proper grading of the streets.

C. Preliminary plats shall provide for at least two different standard routes for ingress and egress.

1. The requirement for an existing or future street connection(s) in Section 17.80.060 shall contribute to meeting this requirement.

2. If, based upon existing development pattern, topography, adjacent property owner willingness, or street connectivity to adjacent property will occur in the future, and only one public street provides primary access to the entrance points of a new residential subdivision, the following shall apply:

a. A secondary emergency access road of a minimum of twenty feet unobstructed width shall be established within an access easement and connect to a different street than the primary access points. The emergency access road shall be constructed as an all-weather surface as approved by the city fire official and city engineer. When street connection to adjacent property or a second public street access is provided, the emergency access road may be abandoned, if approved by the city's fire official and city engineer.

b. If a secondary emergency vehicle access easement cannot be provided, and the plat is greater than thirty lots, the following shall be required:

i. Sufficient evidence must be provided to the city that an emergency access road could not be acquired due to adjacent property owner willingness, topography, or other technically acceptable reason.

ii. Additional fire protection and emergency vehicle access measures, such as but not limited to sprinklering, widening the primary access street with turn-outs, building in phases, shall be proposed by the applicant of the preliminary plat and incorporated into the plat design and/or conditions of approval.

> *c. The city engineer may determine the secondary emergency access is not required, upon consultation and concurrence by the city fire official, based upon the size of plat, topography, existing land development pattern, access to public streets or other technical reasons that will be entered into as a finding for the preliminary plat.*

PMC 17.80.060(B) Street Connectivity also requires the provision for future roadway connections to adjacent properties. The Pinnacle at Liberty Bay project as-proposed does provide for connection to the neighboring Crystal View subdivision via the planned extension of Crystallia Ct NE as required. However, the project does not provide for connection to neighboring parcels 252601-2-044-2000 and 252601-2-034-2002 as required by PMC 17.80.060(B). A public comment was received regarding parcel 252601-2-034-2002 requesting that the project provide a connection. The applicant provided connection feasibility documents for parcel 252601-2-034-2002 (Divoky) and 252601-2-044-2000 (Skelley) (Exhibit G), and has also indicated that access to the adjacent Divoky parcel would be better suited from Johnson Parkway NE. Staff have reviewed the code requirements and determined that regardless of whether or not parcel 252601-2-034-2002 connects to Johnson Parkway NE, multiple connections would be required per PMC 17.80.050 and PMC 17.80.060. Providing for a connection to this property from Sunrise Ridge Ave NE as required by PMC 17.80.060(B) would be feasible, and the property is not eligible for a connection to SR305 due to proximity to the Johnson Roundabout and roadway access classification for SR305 in the area. As such, the Pinnacle at Liberty Bay project will be required to provide for a feasible future connection to Parcel 252601-2-034-2002. The City Engineer has reviewed the applicant's submittal related to providing a connection to parcel 252601-2-044-2000 and is satisfied that infeasibility has been satisfactorily demonstrated. A direct connection to parcel 252601-2-044-2000 will not be required.

The City's Comprehensive Transportation Functional Plan Figure 6-2 and City Comprehensive Plan New Roadway Segments Map Figure TR-3 show required collector/sub collector level roadway connections. Development projects are required to meet the intent of these new roadway connection requirements within the project and provide and/or provide accommodation for these future roadway connections. This requirement is implemented by City codes and standards, including PMC 17.80.060 quoted below. This project's primary roadway network within the site does provide for completion of required New Roadway segment NR-13 as required, but only the partial completion of new roadway segment 12 within the project site and does not complete the required connection of new roadway segment 12 to the Baywatch subdivision per City code requirements. Earlier project submittals did include the connection to the Baywatch Subdivision. In the Traffic Impact Analysis dated November, 2025 it was estimated that approximately 35.8% of the project's trips would utilize the Baywatch connection, distributing project trips among the surrounding roadway network as intended by City codes. The result of removal of the Baywatch connection will be to concentrate all of the project trips to a single roadway (Sunrise Ridge Ave).

The applicant has provided the document titled Stream Crossing/Baywatch Connection Technical Justification with the intent to demonstrate connection infeasibility per PMC 17.80.060(B)(1).

Staff and the City's transportation consultant Parametrix have reviewed the documents submitted, further analyzed the feasibility of completing the new road NR-12 connection to the Baywatch subdivision and have determined the connection to be feasible. Reference Parametrix Connection Road Feasibility Independent Review memo dated November 16, 2026 in Exhibit G. Staff have also found that providing the required NR-12 connection to the Baywatch subdivision is necessary to meet the requirements of City codes and the decision criteria and required findings listed in PMC 17.60.040 and PMC 18.260.140 as well as International Fire Code. The requirement has been determined to be directly related to the impacts of development of the Pinnacle at Liberty Bay project and have been determined to be proportionate to the project's

direct impacts. A detailed analysis of these connectivity and emergency access requirements is contained in Engineering Memo Connectivity and Multiple Points of Access/Egress dated October 27, 2026. The findings in this memo are further supported by the Poulsbo Fire District Operational Emergency Response Considerations memo dated July 28, 2026 and the Building–Fire Code Official Access and Emergency Egress Review memo dated August 19, 2026 in Exhibit G. Confirmation of the City's interpretation of International Fire Code emergency access requirements is in the Engineering Memo – Project Areas and Access Points ICC Code Interpretation dated October 28, 2026 in Exhibit G.

As required by PMC 17.80.060(3) a finding of fact regarding the requirement for completion of these new roadway segments is included in this document.

> ***PMC 17.80.060 Street Connectivity***
> *The purpose of street connectivity is threefold: (1) to implement the city's comprehensive plan's future street plan; (2) to provide redundant and efficient routes and connections within the city; and (3) provide superior emergency vehicle response time by providing multiple access to streets. Street connectivity shall be implemented as follows:*
>
> *A. New streets shall be provided and located consistent with the city's comprehensive plan transportation map series and new roadway segments map:*
>
> *1. Where topography, adjacent property owner willingness, natural features or other conditions make achievement of a planned alignment impractical, the street alignment, connection and/or location shall be as approved by the city engineer consistent with the intent of planned alignment.*
>
> *2. The required improvement must be related in nature and extent to the impact of the development.*
>
> *3. When requiring a new street to be provided consistent with the city's comprehensive plan new roadway segments map, the city shall provide a finding of fact with the subdivision decision, setting forth that the requirement of the new street is supported under the city's Growth Management Act responsibility to provide for adequate streets and roads for its allocated population, and, based upon the city's adopted comprehensive plan, there is a reasonable assurance the new street shall be completed.*
>
> *B. New subdivisions shall connect to or provide a future connection to adjacent property.*
>
> *1. New subdivisions shall use existing street connections, if provided, unless it is technically infeasible to do so as determined by the city engineer.*
>
> *2. When providing for street connectivity, the public streets and utilities shall be extended to the property boundary.*
>
> *3. When a street connection is required to undeveloped property zoned for residential development, a sign is required to be posted at the connection point indicating the intent of a future road connection.*
>
> *4. When a street is required to undeveloped property, a preliminary engineering analysis of the feasibility of the future street connection shall be submitted with the development permit application.*
>
> *5. Pedestrian and bicycle connection to adjacent subdivisions or property shall be provided as feasible and as consistent with the intent of the city's comprehensive plan's identified sidewalk and path connections.*
>
> *6. The city engineer may exempt the requirement for street connectivity under the following circumstances:*
>
> *a. There are existing and available connections to collector or arterial streets.*
>
> *b. The existing development and ownership pattern, site and/or surrounding area's topography make connectivity technically and physically unfeasible.*
>
> *c. Temporary emergency vehicle access is provided, and street connectivity will occur in the future.*
>
> *d. The street connection is not identified on the comprehensive plan transportation map series.*

Staff have analyzed the requirements of PMC 17,80.050, 17.80.060, City Construction

Standards, City Transportation Plan, City Comprehensive Plan and International Fire Code requirements and determined that as-conditioned with the completion of required roadway NR-12 to the Baywatch subdivision and providing for feasible connection to the neighboring parcel 252601-2-034-2002 in addition to the roadway network and connections proposed in the project documentation, the Pinnacle at Liberty Bay project will adequately satisfy these requirements.

Traffic Impact Analysis dated October, 2026 prepared by Heath & Associates

A traffic impact analysis (TIA) was prepared by Heath & Associates in July of 2025, subsequently revised in November of 2025 to respond to City and peer review comments, and further revised in April of 2026 and October of 2026 to accommodate the revised project layout proposed and reduced number of units, as well as the removal of the required roadway connection NR-12 to the Baywatch subdivision. The TIA assesses the proposed project, associated motorized and nonmotorized transportation impacts, compliance with City codes and standards, and determines appropriate mitigation. The TIA was prepared to meet the City's Transportation Impact Analysis minimum requirements, address the project's transportation impacts and mitigation requirements and address the requirements of PMC Chapter 14.04 Transportation Concurrency as noted above. The City requires a minimum of 5 years after build-out/occupancy for the future condition horizon year. Therefore, the year 2032 and 2037 have been used as horizon years for this analysis.

The TIA submitted has been updated to analyze the project's impacts in the light of the current submittal, with a total of 130 single family units and the removal of the required new roadway NR-12 connection to the Baywatch Subdivision. Note that the current TIA indicates in the project description a total of 138 homes vs the 130 homes in the current project submittal. Included figures appear to be consistent with the current 130 home submittal.

As noted above, staff have determined that providing the new road NR-12 connection to the Baywatch subdivision will be a condition of approval for the Pinnacle at Liberty Bay project. As such, the TIA will be required to be revised and resubmitted with grading permit submittal for review to accommodate this additional connection and the associated changes to trip distribution and impacts.

The TIA includes a Safety Analysis (Section 4.8) in order to inform potential safety related mitigation requirements.

Section 5 of the TIA analyzes the proposed project's forecast traffic demand. Per City requirements, the Institute of Transportation Engineers (ITE) Trip Generation Manual 12th Edition was used to forecast project trip generation, using Land Use Code (LUC) 210, Single-Family Detached Housing for project trip generation. The proposed development's 130 single family units will generate 1,182 average weekday trips (AWDT) per that land use code trip generation data. The trip generation and forecast distribution are described and summarized in Section 5.1 and 5.2. Construction traffic trips and routing is described in Section 5.8 of the TIA, estimating 60-80 trucks per day during a 3-4 week mass grading and import phase in addition to the estimated 20 on-site construction employees. Submission of a final construction traffic control plan for review and approval with grading permit submittal will be an Engineering Department recommended SEPA mitigation.

Section 5.3 analyzes future traffic volumes for a 5-year horizon from estimated project approval in both the without-project and with-project condition, estimating trip growth per City TIA growth rate standards and approved but not yet constructed pipeline projects. Forecast future (2032 and 2037) traffic volumes without the project and with the project are described in Section and shown on the figures included in that section. The future level of service with and without the

project is summarized in Table 9, page 37. In the future with project condition all intersections meet City Level of Service standards with the exception of the intersections of SR305 & Liberty Road, SR305 & Forest Rock Lane, SR305 & SR307/Bond and Front St & NE Sunset Street. At these intersections, this project will be contributing additional level of service delay at intersections that do not meet level of service standards. Per City Transportation Functional Plan Section 6.3.2 and City Comprehensive plan policies TR-2.3 and 2.4, projects that contribute traffic to LOS F City designated intersections may be required to implement mitigation measures that address project impacts but do not necessarily add capacity. For WSDOT operated intersections, additional delay added to intersections that are not currently meeting LOS standards also must be mitigated. Note WSDOT review comment #2 which requests the applicant identify mitigation for their impacts to SR305. Mitigation for impacts to SR305 must be coordinated with WSDOT. For City intersections, these mitigation measures may include improvements to other transportation modes such as non-motorized improvements.

Staff have reviewed the TIA, City codes and policies and have determined that additional mitigation will be required to satisfy the project's impacts to the intersections not meeting LOS standards. This mitigation will be included as a SEPA condition.

The TIA will be required to be revised and resubmitted to accommodate the requirement for completion of new roadway segment NR-12 to the Baywatch subdivision, the associated revisions to traffic distribution and their impacts to the roadway system. With the revision, identification of mitigation for the project's impacts to any intersections not meeting LOS standards will be required. Mitigation for intersections controlled by WSDOT will need to be coordinated with WSDOT.

The project is subject to Traffic Impact Fees (TIF) per PMC Section 3.86. At the time of this memo, TIF is assessed in the amount of $562 per average weekday daily trip (AWDT). The project will generate 9.09ADT per unit per ITE Trip Generation Manual 12th edition or 1,254 total new AWDT. Impact fee credit will be given for the one existing house in the project area in accordance with PMC 3.86. At the time of this memo, total traffic impact fees to be collected for this project are estimated to be (130-1) * 9.09 * $562 = $659006.82. Traffic Impact Fees are collected at the time of building permit application for each home and will be assessed at the current rate in place at the time of building permit application.

<u>Poulsbo Municipal Code 14.04 Transportation Concurrency</u>
Poulsbo Municipal Code 14.04 requires that adequate transportation facilities or strategies needed to maintain the City's adopted level of service standards on any roadway or at any intersection are available when the impacts of development occur, or that a financial commitment is in place to complete the facilities or strategies within six years. This code section includes requirements for determining and demonstrating concurrency.

<u>Construction Traffic Impacts</u>
The project's TIA has estimated a maximum construction truck activity of 60-80 trucks per day during a 3-4 week mass grading and import phase. The construction route shown in the TIA (Figure 21, pg. 39) shows site access for construction vehicles from SR305 via Johnson Parkway NE/Sunrise Ridge Ave NE. Staff concurs that this should be the project's primary construction route. A detailed construction traffic control plan to monitor and control construction traffic impacts will be a required SEPA mitigation. Note that the project assumes a relative balance of cut/fill within the project. As analysis within this memo indicates, much of the site soils may not meet material classification requirements for usage as structural fill or roadway embankment. If the project ends up requiring significantly more export/import of material than anticipated in the

TIA, the impacts of the additional construction traffic will need to be analyzed and additional mitigation may be required.

Staff have reviewed the TIA traffic analysis, recommendations, and conclusions. Staff have determined that the TIA prepared by Heath and Associates will need to be revised to accommodate the required new roadway connection NR-12 to the Baywatch subdivision and adequately analyze the project's transportation impacts and demands per City codes, standards and requirements.

Staff have analyzed the requirements of PMC 17,80.050, 17.80.060, PMC 14.04, City Construction Standards, City Transportation Plan, City Comprehensive Plan, International Fire Code and City Water Comprehensive Plan requirements and determined that as-conditioned with the completion of required roadway NR-12 to the Baywatch subdivision; providing for feasible connection to the neighboring parcel 252601-2-034-2002 in addition to the roadway network and connections proposed in the project documentation; the revision and resubmission of the TIA to accommodate these changes and submission of a final construction traffic control plan for review and approval with grading permit submission, the Pinnacle at Liberty Bay project will adequately satisfy these requirements.

15. Public Services

The proposed project will increase the city population by approximately 324 residents (130 new homes – 1 existing home x 2.51 residents/SF home), resulting in an increased need for public services, including Public Schools, Police services, Fire and emergency response services, City administration/general services, Transportation and City Utilities.

Section 14 above addresses impacts to the City transportation system and associated mitigation.

Impacts to Fire/Emergency Response services are anticipated to be mitigated by a combination of fire impact fees and increased tax revenue.

Impacts to City administration/general services and Police and Fire/Emergency Response services are anticipated to be mitigated by increased tax revenue.

Staff have reviewed the project's impacts to public services and determined them to meet City codes and standards. Impacts to public services will be adequately mitigated through payment of general facility charges and ongoing utility rates.

16. Utilities

Water service to the plat will be via newly constructed 8-inch water mains connecting to the existing water mains in Johnson Parkway NE, NE Crystallia Ct and Baywatch Ct NE. These looped connections are a requirement of the City's construction standards and comprehensive water system plan, as well as providing redundancy and flow capacity to meet fire protection requirements. Water capacity analysis for this service area is analyzed as a part of the City's Comprehensive Water System functional plan, and system capacity has been determined to be adequate to serve this project. The proposed water system has been reviewed and modeled by the City's peer review consultant Gray and Osborne. The water system proposed is consistent with the results and recommendations of the peer review.

Sewer service to the Eastern portion of the plat will be provided by connecting to the existing 8" sanitary sewer system in Sunrise Ridge Ave NE which connects to the existing sewer system in Johnson Parkway NE. The project proposes re-aligning a portion of this existing sewer system in the Northern section of Sunrise Ridge Ave NE being completed by this project. The remainder of the lots in the project will connect to the existing 8" sewer main serving the Baywatch subdivision. These existing sewer systems flow to Kitsap County's sewer system in Johnson Road and via siphon under Liberty Bay to a lift station in Keyport. It is ultimately conveyed to Kitsap County's Brownsville treatment plant. This existing system and lift station capacity were analyzed as a part of the most recent update to the City's Comprehensive Sewer System functional plan, and system capacity was determined to be adequate to serve this project.

Storm drainage accommodation and mitigation will be provided by detention ponds/treatment vault systems. The project's storm drainage system has been designed and analyzed by ESM Consulting Engineers as noted in the Water section above and has been determined to satisfy City and Department of Ecology requirements. The project's western pond system will discharge to Barrante's Creek that flows to Liberty Bay, and the Eastern pond system will discharge to an unnamed stream that flows to Liberty Bay as required by the Stormwater Management Manual for Western Washington. Downstream capacity for the discharge has been demonstrated in the Stormwater drainage report and peer reviewed by the City's contracted third party peer reviewer BHC Consultants.

Solid Waste collection will be provided by the City of Poulsbo via individual can service.

Impacts to City Utilities are mitigated by the payment of a combination of one time General Facility Charges and ongoing utility rates per PMC Title 13.

Staff have reviewed the project's proposed utility designs and determined them to meet City codes and standards and provide adequate capacity to serve the proposed project. Impacts to City Utilities will be adequately mitigated through payment of general facility charges and ongoing utility rates.

Public Comments Received to Date and Related to Environmental Elements:

Engineering staff have reviewed and considered the public comments received during the Optional DNS comment period which are included in Exhibit I. As noted in the Planning Department SEPA memo, these comments 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. Following consideration of the comments, staff have determined that the identified environmental impacts related to items under Engineering and Public Works purview can be addressed through applicable regulatory requirements and project-specific mitigation measures as described in this memorandum.

Reference Planning Department SEPA memo for a more detailed discussion of public comments.

Findings of Fact regarding connectivity requirements:

The requirement to construct new roadways NR-12 and NR-13 is directly related and proportionate to the direct transportation and emergency services impacts generated by the proposed subdivision. These

roadway improvements implement the City's adopted Comprehensive Plan, Transportation Comprehensive Plan, development regulations and adopted International Fire Code; support the City's obligations under the Growth Management Act to provide an adequate transportation system to serve planned growth; improve neighborhood connectivity, roadway redundancy, and emergency access/egress; distribute project trips among the roadway network to avoid concentrating project trip impacts to a single roadway and are feasible to construct as part of the proposed development. With the project conditions of approval as recommended, staff, the City Engineer and the City Fire Code Official have determined that the project adequately mitigates the project's direct transportation and emergency services impacts. With the recommended conditions of approval, the project complies with City adopted codes and standards, meets the decision criteria required, and staff and the City Engineer recommend approval.

Conclusions and Recommendations:

The Engineering and Public Works Department's environmental review indicates that there are no likely significant adverse environmental impacts from the project proposal associated with codes and regulations under the department's purview that cannot be mitigated through existing adopted Poulsbo land use regulations, project conditions of approval and the authority of SEPA. ***Therefore, with recommended mitigation a determination of non-significance is appropriate.***

Recommended Mitigations, if appropriate:
The Engineering and Public Works Department's recommended SEPA mitigation measures are contained within the City's consolidated set of SEPA mitigation measures (Exhibit A).

Name: Michael Bateman, PE

Position/Title: Transportation Engineer

Address: 200 NE Moe Street
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(360) 394 - 9744

Date: ____10/29/2026_____ **Signature:** _____

Reviewed and approved:

City Engineer
Josh Ranes, PE

Initial _____ **Date** 10/30/26