



PLANNING AND ECONOMIC DEVELOPMENT

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MEMO

To: Karla Boughton, SEPA Responsible Official
From: Marla Powers | Associate Planner
Subject: SEPA DETERMINATION | Vanaheimr Mixed Use Building | File No. #P-05-18-17-02
Date: August 19, 2019

Applicant: Michael Brown, West Sound Holdings, Inc

Agent: Miles Yanick, Miles Yanick & Company

Location: 367 NE Hostmark, Poulsbo WA 98370

Project Description: Vanaheimr Mixed Use Building proposal is for the redevelopment of the Old Police Station. The proposal includes: Retail/commercial/office space of approximately 1,748 square feet and lobby, elevator stairway and ancillary space of approximately 842 square feet on the main floor; twelve residential units and two hospitality units on the second floor; and thirteen residential units on the third floor. Thirty-seven parking spaces will be provided for the needs of both the retail/commercial/office uses and the residential units. Rooftop amenities will be provided for building occupants. The western portion of the site is within the Shoreline Jurisdiction. The Shoreline Environmental Designation is High Intensity (HI), this designation triggers alternate shoreline buffer and shoreline buffer setbacks, limits height, restricts density and uses permitted, and requires public access. Approximately 2,724 square feet will be provided for public access for water enjoyment. The Ordinary High Water Mark (OHWM) has been delineated by Department of Ecology and surveyed by the applicant.

Environmental Record/Exhibits:

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

- SEPA Checklist received June 6, 2019
- Site Plans received June 6, 2019
- Traffic Impact Analysis dated July 16, 2019 prepared by Gregory B. Heath
- Traffic Impact Analysis Addendum dated August 14, 2019 prepared by Gregory B. Heath
- Geo Technical Report dated June 22, 2017 prepared by EnviroSound Consulting
- Geo Technical Addendum dated December 10, 2018 prepared by EnviroSound Consulting
- Ordinary High Water Mark Survey received July 6, 2017
- Site Lighting Review and Photometric Report dated July 16, 2018 prepared by Pro Design
- View Impact Analysis Part 1 and Part 2 dated November 30, 2018 prepared Rice Fergus Miller
- Stormwater Report dated May 16, 2017 prepared by MAP LTD
- Stormwater Report Addendum dated February 8, 2018 prepared by MAP LTD
- JARPA Form signed May 18, 2017

- City Attorney Memo: City's Obligation to Protect Private Views under SEPA dated May 17, 2018
- City Attorney Memo: Whether the City has an Obligation to Protect Views from Private Property dated May 17, 2018

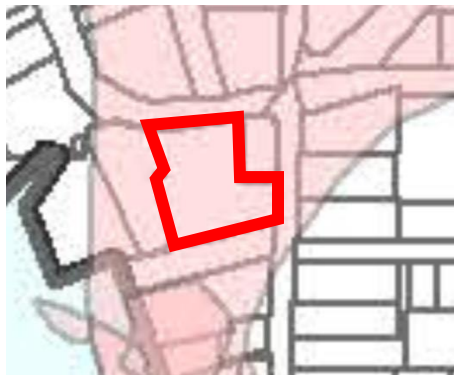
Staff Amendments to the Environmental Checklist:

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

The checklist adequately addresses the issues of this section. A Geotechnical Engineering Report dated June 22, 2017 and Addendum Letter to Geotechnical Engineering Report, dated December 10, 2018 were prepared for this project. The City of Poulsbo Geological Hazard Areas Map identifies this site as a potential geological hazard. The image below shows the project site outlined in red, the pink shade identifies "potential geological hazards".



The EnviroSound Consulting Inc. report (2017) identified the type of soil as being located in an area mapped as Glacial Till (Qvt.) and that Glacial Till is composed of poorly sorted clay, silt, sand and gravel that has been compacted into an impermeable cement-like material. The report continues and states on page 2, "Although the subject site is located in an area mapped as a Moderate Hazard Area, a review of "Slope Stability, Kitsap County, Washington", Jerry Deeter, 1979, and The Washington State Department of Ecology Coastal Zone Atlas Volume 10 (Kitsap County) both show the site mapped as Stable...It should be noted that the mapping was performed in the 1970's and does not reflect more recent activity. There was no visible evidence of

slope movement or sloughing at the time of the site visit." The report concluded that the construction proposal was feasible provided that recommendations in the report are incorporated in final design plans. Conclusions provided in the Addendum (2018) on the 3rd page makes the following statements:

- The subject site and vicinity are mapped as stable slopes and there is no visible evidence of slope failure or landslides on the site or adjacent parcels.
- The subsurface explorations encountered glacial till, which is consistent with the unit indicated by the geologic maps.
- Slope stability analyses indicate that placement of the proposed structure within slope buffers will not adversely impact the overall stability of the slopes.
- In our professional judgement no further investigation or analysis is required to document that the proposed development will not adversely impact the overall stability of adjacent slopes.

The Geotechnical Engineering Report indicated on page 4 that existing asphalt paving, foundation elements, utilities, and any fill soils should be removed from all areas receiving structural fill or foundation loads. This may require over-excavation below foundation elements.

Because this report indicates that these slopes are designated as stable, the City of Poulsbo Planning and Economic Development Department will docket this information and will conduct an amendment to the Geological Hazard Areas Map for the Critical Areas Ordinance during the next required CAO update or sooner.

Following these recommendations and those to be established in the final design will be required as mitigation measures. Best Management Practices are to be used for this project, as appropriate.



2. Air

The checklist adequately addresses the issues of this section.

3. Water

a. Surface

The checklist adequately addresses the issues of this section.

At the direction of Mr. Burcar, City of Poulsbo staff Marla Powers (Planning & Economic Development) met with Miles Yanick (Architect), Paul Anderson (Ecology NWRO Wetlands/401 Unit Supervisor), Joe Burcar (Department of Ecology Shoreline Planner), Mark Eisses (MAP LTD), and Mike Brown (Sound West Development) on April 27, 2016 to identify and survey the Ordinary High Water Mark along the area of Liberty Bay that affects the site location. The OHWM Survey has been included as part of the application materials. The survey determined the location of the Shoreline Management Program jurisdiction on this site. This determination ultimately changes the permit process from a Type II Administrative Site Plan Review to a Type III Shoreline Substantial Development with Site Plan Review with the Hearing Examiner as the review authority. This is described in a City of Poulsbo Letter to the applicant dated April 29, 2016.

The clear delineation of the shoreline jurisdiction has ensured that all pertinent components of both the Zoning Ordinance and Shoreline Management Program have been addressed.

b. Ground

The checklist adequately addresses the issues of this section.

c. Water Runoff

The checklist adequately addresses the issues of this section.

A Stormwater Drainage Report for Soundwest Group Vanaheimr Apartments dated May 16, 2017 and a Stormwater Drainage Report Addendum for Soundwest Group Vanaheimr Mixed Use dated February 8, 2018 have been prepared for this proposal. Both reports were prepared by MAP LTD. See the Engineering SEPA Memo for additional information and environmental analysis.

4. Plants

The checklist adequately addresses the issues of this section.

5. Animals

The checklist adequately addresses the issues of this section.

6. Energy and Natural Resources

The checklist adequately addresses the issues of this section.

7. Environmental Health

a. The checklist adequately addresses the issues of this section.

The application package included a Phase 1 Site Environmental Assessment dated August 3, 2015 that concluded there was no evidence of Recognized Environmental Conditions were revealed.

b. Noise

The applicant's response on the SEPA Checklist states that construction hours will be limited to Monday through Friday from 7:30am to 5pm. This response is more conservative than the City's Construction Hours provisions stated in PMC 15.32.010 as Monday through Friday between the hours of 7:00am to 7:00pm and Weekends, and federal, state or city observed holidays between 8:00am to 7:00pm. The applicant's response is not considered a mitigation and the City's adopted construction hours serve as the appropriate time limitations for the project.



8. Land and Shoreline Use

The checklist adequately addresses the issues of this section.

- a. The proposal will not directly affect current land uses on nearby or adjacent properties. The proposal will provide for increased public access to water enjoyment views toward Liberty Bay. The stairs that lead up to the proposed use and public access will also provide much improved civic space that is anticipated to receive heavy public use, perhaps especially during community events such as parades, races, walks, and other festivities.
- h. This site has been identified as a potential geologic hazard, see item #1 above for more information.

9. Housing

The checklist adequately addresses the issues of this section.

10. Aesthetics

Most of the comments received at the project's neighborhood meeting and in response to the Notice of Application comment period in relation to aesthetics are concerns with height/scale, aesthetics and impact to private views (see public comment section below). The building design, architectural elevations and landscaping have been revised since the neighborhood meeting and initial submittal in response to the comments raised by neighboring property owners.

Height

The Site Plan Review and Shoreline Substantial Development Application was determined Technically Complete on March 16, 2018. A building permit was submitted and determined to be complete on June 29, 2018. The complete building permit vested this project to all code provisions under Ordinance 2013-04. Under this Zoning Ordinance the building height in the C-1 Downtown/Front Street District is limited to 35 feet. A building height exception is provided under PMC 18.310.010 for the building height limit to be increased by ten feet when a structure is proposed to include underbuilding parking in all C districts. The proposal includes underbuilding parking and therefore would meet this exception as it is vested to a building height of 45 feet. However, the applicant has chosen to maintain a building height consistent with the 35-foot standard; the maximum height proposed is 33'6" as shown in Architectural Sheets A-12 and A-13.

Architectural Design/Landscaping

Intentional effort by the applicant focused on enhancing the architectural façade of the east building elevation along Fjord Drive, to address concerns expressed on the impact the building may have on the existing single-family neighborhood. Below are two figures of the east building elevation. Figure 1 is the original proposal and Figure 2 is the currently submitted east building elevation.

The improvements include: introduction of a second façade material on the upper floor, a band between the two floors separating the distinct façade materials, a Juliet balcony was added to the upper floor, and additional small windows were added to both floors. Revisions to the garage area have been made, and enhanced screening material for the garbage enclosure matches the wooden guardrails on the Front Street facing building elevations, see Figure 3 below. Landscaping has been enhanced and the area between the building and Fjord Drive to serve as a pocket park for public use with the inclusion of a bench, open landscaping, and pavers. These improvements are shown in Figure 4 below. These are all provided with the intention of limiting a potential impact to the existing neighborhood.



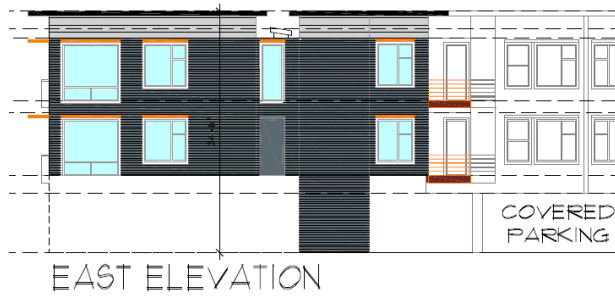


Figure 1 Original Proposal

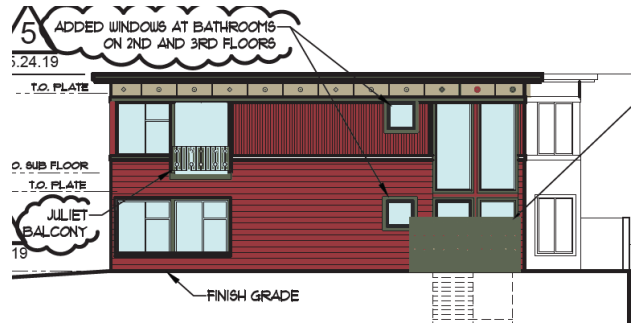


Figure 2 Revised Proposal

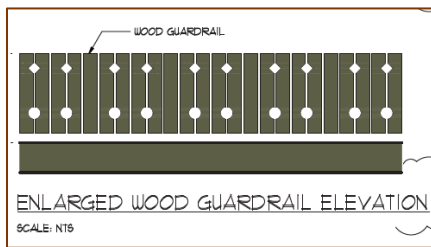


Figure 3 Wooden Screening

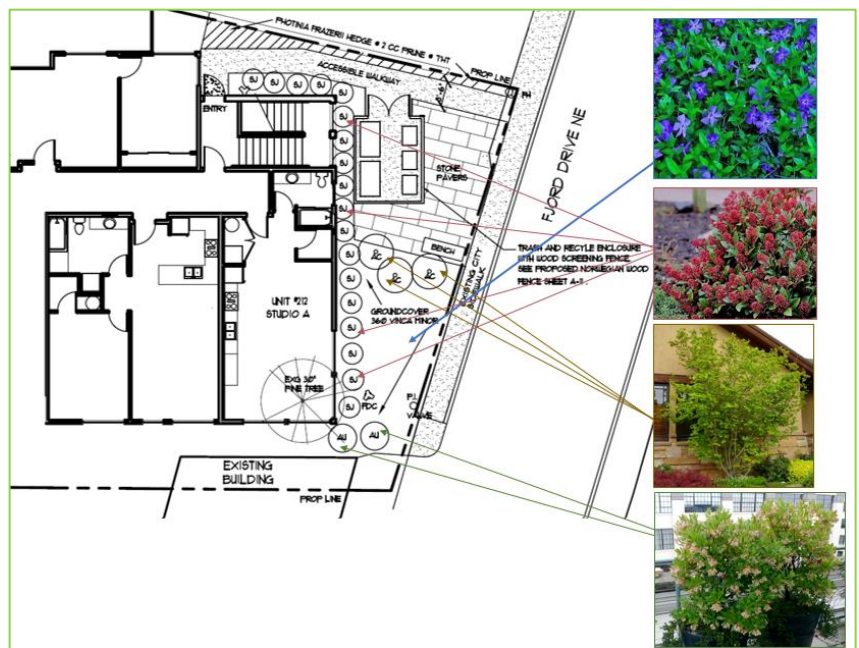


Figure 4 Proposed Landscaping

Views

The Shoreline Master Program (SMP), PMC 16.08.360 states, “The city does not establish, protect or maintain views from private property. However, public views of the shorelines and water on both public and private property shall be designated and maintained to enhance the public’s ability to see and enjoy the shorelines and waters of Liberty Bay.” This same section of the SMP establishes public viewsheds from Fjord Drive, extending from Hostmark Avenue south to the city limit. The intent of the viewshed designation is to promote an aesthetically attractive view of Liberty Bay and the shoreline environment from public parks and major public streets near the shoreline, with limited visual obstruction from buildings and other structures. Shoreline Viewsheds are required for property one acre or greater in size where views of the shoreline are available, see PMC 16.08.360.C.1 This proposal, as stated on Sheet A-1 is 24,829 square feet in size and is well under the one-acre size requirement. These standards are not applicable for this proposal and view protection from Fjord Drive is not required under the SMP.



The City required the applicant to provide a Visual Impact Analysis to evaluate the view impact the proposed building may have. This is summarized in View Impact Analysis Part 1 completed by Rice Fergus Miller dated November 30, 2018. View impacts from existing residences located east of Fjord Drive were evaluated and indicated that seven houses would likely experience view impairment. The document also identifies the opportunities for improved public views and overall aesthetic enhancements provided by the development when replacing an aging building: viewing platform on west side of building for public access, viewing and enjoyment; public plaza at northwest corner creating a focal point, with a water feature and terraced landscaping; pocket parking with small seating area on west side of project; vegetated wall on west side of building screening parking lot; and possibility of incorporation of sculptural art on the building, along retaining walls, or within the site. In Part 2 of the View Impact Analysis, Rice Fergus Miller identifies that the Vanaheimr site offers an opportunity for incorporation public art as a Sister City Monument, to recognize Poulsbo's sister city relationships with Namsos and Halden, Norway. Part 2 offers a suggestion for a monument inspired by the shape of Viking ships to be located along the western portion of the site. The applicant is not proposing public art/sculptural art or the public monument as a required mitigation, but the documents suggests the applicant is willing to discuss incorporation of public art on the building and site due to its prominent location as a gateway to downtown Poulsbo and the waterfront.

Public comment received suggested that private views may be required to be preserved either through the authority of SEPA or by the City's governmental authority. The City Attorney has provided a legal opinion on both scenarios and is referenced by two memos dated May 17, 2018.

In the legal opinion regarding SEPA, the City Attorney concludes the following: 1) The City is required to consider view impacts – from both public and private viewpoints – in threshold determinations under SEPA because those impacts are included in the environmental checklist; 2) While impacts to private views fall within the scope of SEPA, view impacts are generally less likely to rise to the level of 'significant' impacts if they affect only a small number of views or people; if protection of the views are not guaranteed by local zoning restrictions; and if the project will open up new views or aesthetic opportunities for others; and 3) if the City decides to use its authority to mitigate view impacts under SEPA, it must cite an adopted SEPA policy – ideally one that specifically supports protecting private views – and explain how that policy supports its substantive mitigation.

When reviewing the three criteria for views under SEPA for the proposed Vanaheimr Building, the responses are as follows: 1) the City has required the applicant to consider view impacts from both public and private viewpoints through the submittal of the View Impact Analysis. 2) The Visual Impact Analysis concludes that seven houses may likely have view impairments, there are no zoning regulations that protect the views, and the project opens up new views and improved aesthetic opportunities for public (Part 1). 3) The City does not currently have an adopted SEPA policy that specifically supports protecting private views.

In the legal opinion regarding whether the City has an obligation to protect views from private property through its land use and other regulations, the City Attorney explains based upon Washington State case law that unless a homeowner has a specific property right to a view, such as a special covenant, easement or other promise embodied in a deed, the property owner has to "right" to a particular view. Further, the City does not have the duty or obligation to create valid easements or covenants to protect private property views. Therefore, most cities leave view protection as private matters between property owners.

In conclusion, the proposed Vanaheimr project is not subject private view projection because: 1) the Shoreline public view corridor requirement established in PMC 16.08.360.C.1 does not apply as the subject site is not of sufficient size; 2) private homeowner views are not required to be protected under SEPA because the view impairment has not risen to the standard of 'significant' impact as set forth by SEPA, there are no zoning regulation requirements, new public views and improvement aesthetic opportunities are incorporated into the project, and the City does not have an adopted SEPA policy that



specifically supports protecting private views; and 3) the City does not have a legal duty or obligation to create valid easements or covenants to legally protect private property views.

11. Light and Glare

The checklist adequately addresses the issues of this section.

A Site Lighting Review and Photometric Report by Pro Design was submitted with the application and addresses lighting design and light throw.

12. Recreation

The checklist adequately addresses the issues of this section.

The proposal would increase public recreation with the introduction of public access for water enjoyment along the western portion of the site looking out toward Liberty Bay.

13. Historic and Cultural Preservation

The checklist adequately addresses the issues of this section.

14. Transportation

The checklist adequately addresses the issues of this section.

See the Engineering SEPA Memo for additional information.

15. Public Services

The checklist adequately addresses the issues of this section.

16. Utilities

The checklist adequately addresses the issues of this section.

Public Comments Received to Date and Related to Environmental Elements:

A Neighborhood Meeting was conducted on April 26, 2017 where 40 individuals wrote their name on a Sign-In Sheet. A total of 10 public comment sheets and/or emails were collected as a result of this meeting. The comments, in summary, were directed toward the following points:

- View of Liberty Bay blocked or reduced
- Damage to property value
- Quality of life negatively impacted
- Scale of proposal not commensurate with that of downtown
- Increase in traffic
- Parking congestion downtown and in adjacent neighborhood to be made worse with the loss of existing public parking on site

The Notice of Application (NOA), issued on March 23, 2018 provided a 14-day public comment period. During this time the city received two public comment responses. One was a letter by Lynn Myrvang that included six additional signatures, and comments from Cindy Baker that were consolidated due to the number of emails and a referenced 2016 letter included in her comments. The comments are summarized below:

Lynn Myrvang et.al.

Design, color, and scale were not commensurate with that of Downtown Poulsbo or "Little Norway". The letter sought to increase colors, soften building materials, push the building away from the sidewalk of Hostmark/Front Street, increase the number of stepbacks to the building to reduce bulk.

Traffic concerns with access onto and off Hostmark/Front Street due to the steep incline of the street, nearly 90 degree turn onto Front Street, close driveway access of the Pharmacy (adjacent to the project site), and



close proximity of the “five point intersection” of Hostmark, 4th Avenue, Fjord Drive, and Lincoln Road. Suggested Fjord Drive be used for access as it seems a safer option.

Cindy Baker

The most pressing concern is related to the impact the project would have on her view. Other concerns included the scale of the proposal being inappropriate for the downtown “fishing village” image, increased traffic and parking congestion, and the new commercial uses effecting a negative impact on existing commercial.

No additional public comments have been received at this time related to environmental elements.

Conclusions and Recommendations:

The environmental review indicates that there are no significant adverse environmental impacts from the project proposal that cannot be mitigated through existing adopted Poulsbo land use regulations, or through the authority of SEPA. Therefore, a determination of non-significance is appropriate.

Recommended Mitigations:

Earth:

1. Existing paving, foundation elements, etc., are to be removed from all areas receiving structural fill (or foundation) loads. This may require over-excavation below foundational elements to reach native soil. New structural fill will be placed where necessary to meet grade and elevations approved with Site Plan Review.
2. Structural Engineer is to design all retaining wall structures.
3. Follow BMPs provided for by the Geotechnical Report.

Lighting:

4. Follow measures outlined in Site Lighting Review and Photometric Report, prepared by Pro Design and dated July 16, 2018.

Schools

5. School Mitigation Fees are required for residential units and shall be paid at the time of building permit issuance. Payment of fees will be for all units intended for use as permanent residences and shall be made to the North Kitsap School District directly, and the developer/applicant will present a receipt of payment of fees to the City.

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Date: August 21, 2019

Signature: 

