

Consistency Analysis and SEPA Mitigation Report

ROSARIO RESORT REDEVELOPMENT

Phase 1

Planned Unit Development #1 Application

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Introduction

This is Exhibit RR-7 to the Rosario Resort Phase 1 Redevelopment PUD Application. It is being submitted to cover three topics listed as follows

- A. How the Phase 1 PUD proposal is consistent with the approved Rosario Resort Master Plan
- B. How the Phase 1 PUD proposal addresses the SEPA mitigation measures identified in the Final Environmental Impact Statement for the Rosario Resort Master Plan approval.
- C. How the Phase 1 PUD proposal is compliant with the applicable requirements of County's Unified Development Code, Title 18 SJCC.

Section A – Resort Master Plan Consistency

A.1 Redevelopment Phasing

Redevelopment of Rosario Resort under the master plan is to proceed in two phases (see Section 7.1 RMP). Redevelopment under each phase requires PUD approval. This PUD application is for Phase 1 of the Resort Redevelopment. The following redevelopment items were proposed in Phase 1 of the Master Plan (RMP page 128). A description of how the proposal is consistent with each component of the Phase 1 redevelopment scheme is provided for each item.

1. Support function at the hilltop and expansion of employee housing.

The PUD #1 proposal includes the addition of 40 units of employee housing to the 20 existing units for a total of 60 units of employee housing. The 40 new units include 35 two-person dormitory type units and 5 manager residences all owned by Rosario Resort.

In addition to housing, an employee recreation/dining building, laundry storage building and employee and overflow parking are also proposed.

2. Support functions at the utility tract

Support function at the utility tract would only be required in Phase 1 if capacity in either the water and/or sewer treatment facilities was not adequate to serve the development proposed in Phase 1. Water capacity has been determined to be sufficient. Sewer capacity is sufficient for the Stage 1 construction proposed in Phase 1 of the redevelopment. Additional work on the sewer treatment plant will need to be completed before work can begin on stage two. See pages 38 and 39 in Exhibit RR-4 for information on construction stages. Improvements to the sewer treatment plant involve primarily equipment upgrades to the existing facility to increase treatment volume.

3. Demolition of the existing kitchen addition to the mansion, demolition of hotel unit buildings 1000, 1200 and 1300, the Cascade Bar and Grill, outdoor swimming pool complex, and the discovery house.

The demolition of the structures listed above is included in the PUD#1 redevelopment program (see page 14 of Exhibit RR-4). In addition, it was originally anticipated that the old boatel building could be rehabilitated. Upon further evaluation, the building is in such a state of disrepair that it is not feasible to make the repairs necessary for it to function for the uses intended (see discussion of Marina Village Cabana on page 27 of Exhibit RR-4).

4. Renovation of Mansion and Construction of new mansion annex of 24 hotel rooms.

Renovation of the Mansion is currently underway and will continue under Phase 1. The Mansion Annex proposed in the Master Plan is no longer part of the redevelopment plan. The Annex was proposed as multistory addition to the mansion. The resort owner believes that addition as illustrated in the master plan is architecturally unappealing and has a significant adverse impact on the visual and historic character of the mansion. The units proposed to be housed in the annex will now be located in cottage style single unit structures to the south and to the east of the Mansion. The small size of these units and their location with respect to the Mansion will help preserve the Mansion dominating presence. The single unit cottages are shown to the south of the mansion and to the west of the roundhouse on page 6 of Exhibit RR-1.

5. Expansion of spa and fitness center and replacement of existing restaurant and bar

These phase 1 improvements have been completed as part of the recent Mansion improvement program.

6. Construction of 38 new cottages and houses, 12 bungalow units, and 32 condominium units.

There are some discrepancies in the master plan regarding number of units in Phase 1. Table 4.1-1 on page 53 of the master plan provides the definitive unit counts for the entire Resort and shows the maximum number of unit to be 319; and that 99 of these units are allocated to the Resort Core Area and 220 units are allocated to the Hillside Area (Phase 2). The number of units shown above for Phase 1 added together yields 82 units. Adding these units to the 24 units planned in the Mansion annex yields a total of 106 units, 7 more than allocated to the Resort Core in Table 4.1-1. After going over the numbers from Table 4.1-1, it appears that the 38 cottage units shown above should actually be 31 units, which brings the total to 99 units for the Resort Core which is consistent with the overall master plan unit count. To maintain consistency, the PUD#1 redevelopment proposal for the Resort Core includes a total of 99 units of hotel/vacation units. Fifty-nine (59) of these units are resort owned hotel units. The remaining 40 units are planned as privately owned vacation units.

7. Associated landscaping, circulation, drainage and utility infrastructure

The redevelopment plan proposed in PUD#1 includes redevelopment of the resort pedestrian and vehicle circulation system, new and improvement to the existing utility system, a new stormwater management system consistent with state stormwater management guidelines and a new landscaping scheme based on the use of native plant materials to create an open but more natural landscape theme.

A.2 Land Use

Chapter 6 of the Rosario Resort Master Plan establishes the land use requirements for future development on resort property. For land use planning purposes, the resort property was divided into four development zones described in Chapter 6 of the RMP and listed Table 6.1-1 on page 120. The zones include the Resort Core, the Hillside, the Utility Tract and the Hilltop. These zones are mapped in Figure 6.1-1 on page 115 of the RMP. The RMP Phase 1 development plan, which is the subject of this application, included development in the Resort Core and Hilltop zones with some utility work to be performed in the Utility Tract. Development in the Hillside zone as well as additional work in the Utility Tract was scheduled for the second and final phase of resort redevelopment.

As described in the previous section, proposed PUD#1 includes redevelopment work only the Resort Core zone and the Hilltop with the possibility of some utility work being performed in the Utility Tract. The following is a description of how the land uses proposed in PUD#1 conform to the land uses allowed under the RMP.

1. Resort Core Uses.

Beginning at the top of page 116, the RMP contains a narrative description of the range of used planned for the resort core under the approved Rosario Resort Master Plan. The description notes that the resort core will function as the center of activity for the Resort. The RMP notes that a total of 97 guest accommodations are planned (including guest rooms and vacation condominium units), two single family residences (Cliffhouse Court), and additional resort related retail. Allowable uses include resort lodging, commercial dining and refreshments, lectures, live entertainment, spa, automobile and bicycle rental, retail shops, personal services, catered conferences, personal wireless communications service facilities and other recreation. Facilities that meet the particular needs of boaters are also allowed.

The PUD#1 Design and Development Standards and Guideline document, Exhibit RR-4, describes in some detail the location and range of used proposed under the Phase 1 redevelopment program. A comparison between the Resort Conceptual Plan in the RMP and the PUD#1 site plan shows that proposed development and uses in the resort core under PUD#1 will be located generally as shown on the RMP conceptual site plan. In addition the range of uses proposed in PUD#1 including the 97 hotel/vacation units and two single family residences is consistent with and within the range of uses allowed in the Resort Core as identified in Table 6.2-1.

2. Hilltop

The Hilltop area is currently the site of 20 employee housing units. Each unit provides accommodations for two employees. Development in the Hilltop area under the RMP is described on page 118 of the plan. Under the master plan, an addition 40 units of employee housing are planned to bring the total number of employee housing units to 60. In addition to employee housing, the Hilltop area was planned to include on site employee support services including dining, indoor recreation facilities and employee parking. In addition to employee facilities, the Hilltop is planned as the location for other resort support

services including, administrative offices, laundry, maintenance, housekeeping and landscaping. The Hilltop is also planned as the location for shuttle served overflow parking for resort guests.

Section 3 of Exhibit RR-4 shows the redevelopment plan for the Hilltop. The site plan illustrates the range of uses proposed and the location of those uses on the site. The uses planned for the Hilltop under PUD#1 are consistent with the uses describe in the Master Plan.

The Hilltop site plan proposed in PUD#1 differs somewhat for the conceptual site plan in the Resort Master Plan. At the time the Master Plan was approved, wetlands and drainages on the Hilltop site had not been delineated. The RMP recommends conducting additional wetland delineation work on the Hilltop prior to siting development (RMP page 136). A complete critical areas review of the Hilltop was completed for this PUD proposal (see Exhibit RR-6). In response to the Critical areas analysis and other considerations including the siting of a stormwater detention facility and the desire to locate Hilltop activities further away from the Moran Park entrance, the proposed Hilltop site plan was developed.

3. Utility Tract

The utility tract is the site of the water treatment plant and sewage treatment plants serving the resort and adjacent community. The RMP identifies that under the resort master plan, the utility tract will continue to be used for utility purposes.

Under PUD#1, the utility tract will continue to function as the site for the water and sewer utility serving the resort. Future development under PUD#1 at the Utility Tract site will be limited to that necessary to improve the function and/or add capacity to the water treatment and waste water treatment facilities located there.

4. Resort Master Plan Table 6.1-1 Development Standards

Table 6.1-1 on page 120 of the RMP shows established development standards for open space, building area, hotel/vacation units, employee housing units and other development metrics. Table 2.3 on page 46 of Exhibit RR-4 shows the Phase 1 Development Summary. A comparison of the information in Table 6.1-1 of the Master Plan and Table 2.3 in Exhibit RR-4 shows that the proposed Phase 1 redevelopment under PUD#1 complies with the standards established in the Master Plan for both the Resort Core and Hilltop.

It will be helpful when reviewing the information in both tables to remember that the building foot print and area figures established in Table 6.1-1 are for “new” construction. The comparable figures in Table 2.3 shows both figures for new construction and figures for building area totals including existing buildings that will remain.

Table 6.1-1 establishes open space minimums for the Resort Core and the Hilltop areas. Table 6.1-1 shows the Resort Core includes about 15.8 acres of property. The open space requirement is 6.3 acres or 40 percent. As shown in the table on page 46 of Exhibit RR-4, the community open space calculation for the Resort Core is 6.9 acres. Community Open space is shown on page 34 of Exhibit RR-4.

Table 6.1-1 identifies that the Hilltop Employee housing area includes a total of 39.2 acres. The open space requirement is 27.4 acres. The clearing estimate for the Hilltop shown on page 53 of Exhibit RR-4 is calculated at 213,728 square feet or about 4.9 acres leaving a total of about 34 acres of the site undisturbed.

Because the number vacation units proposed in the Resort Core and the number employee housing units proposed on the Hilltop is the same as the maximums shown in Table 6.1-1, the unit per acre density for both the resort core and hilltop area is the same, i.e. 6.2 units/acre for the Resort Core and 1.5 units per acre for the Hilltop.

A.3 Utilities and Stormwater Management.

Sewer and Water Service: Sewer and water service to the resort is now provided by Washington Water Service Company (WWSC). WWSC is a large private water service provider that operates and/or manages a number of water utilities throughout that state and is not affiliated with the Resort. WWSC has provided a letter report (see Exhibit RR-9) that describes water and sewer availability to the Phase 1 resort redevelopment. The letters states that the existing water system has the volume capacity to serve water the proposed Resort Phase 1 redevelopment. WWSC also state that with currently planned improvements to the water and waste water systems scheduled for completion in 2016, there will be sewage treatment capacity at the plant to serve the redevelopment proposed in Stage 1 of Phase 1. Stage 1 of the Phase 1 redevelopment plan is shown on page 39 and in the table on page 46 of Exhibit RR-4. Sewer service can be made available to Stage 2 of the Phase 1 redevelopment plan upon the completion of certain improvements to the treatment plant. WWSC notes that those improvements can be accommodated within the existing plant site.

Stormwater: A Stormwater Site Plan has been completed for both the Resort Core and the Hilltop (see Exhibit RR-4). The site plans were prepared by a licensed civil engineering firm to the standards of the 2005 State Stormwater Manual. Stormwater collection and treatment facilities incorporate stormwater Best Management Practices (BMPs) identified in the state stormwater management manual.

A.4 Archaeology and Historical Character

Goal 2.1 of the Rosario Resort Master Plan is to “protect historic and archaeological resources, restore recognized historic features, and avoid actions that compromise the historic integrity of the site.” The Phase 1 redevelopment plan was prepared with this goal in mind.

Archaeology: With regard to protecting archaeological resources, an archaeological Study has been prepared for the project by a team of professional archaeologists and has been submitted as exhibit RR-8. The report describes the results of a field investigation which include auger and shovel probes. The report makes recommendations for conducting site development activities. Monitoring and inadvertent discovery protocols are also included in the in the report. The report is generally consistent with guidelines provided in Exhibit 7-1 on page 137 of the RMP.

Historic Character: The preservation of the historic character of Rosario begins with ongoing repair work on the mansion to maintain its architectural character restore its luster. The historic architectural character of the Moran Mansion is carried over into the design of new structures. A discussion of the principle architectural design features for new structures starts on page 7 of Exhibit RR-4 and includes conceptual building elevations illustrating the design concepts. Chapter 5 of Exhibit RR-4 is the Historical Resources Plan for resort redevelopment. The Historical Resource plan contains guidelines for maintaining the historic integrity of the resort during the redevelopment process.

A.5 Resort Master Plan Conditions of Approval (Chapter 7, 2007 Resort Master Plan)

1. All new development, the renovation of existing development, and the operation and uses of the Rosario Master Planned Resort (“MPR” or the “Resort”) shall be consistent with the provisions of the approved Rosario Resort Master Plan dated May 2007 (the “Master Plan”) and shall follow the mitigation measures identified as “Option ‘B’” in the Draft Environmental Impact Statement and Final Environmental Impact Statement.

Applicants Response: *The proposal being submitted as Rosario Resort PUD#1 is consistent with the approved Rosario Resort Master Plan. Consistency with the master plan is described in Section A of this Exhibit (RR-7) The mitigation measures for Option B identified in the Final EIS have been incorporated in the proposal as described in section B of this Exhibit (RR-7).*

2. Chapters 1 through 3 of the Master Plan provide introductory and background information about the Resort and about the development of the Master Plan. These chapters do not establish standards for design or the location of uses in the Resort but may be used to interpret or clarify the intent of the requirements in the redevelopment concept as set forth in Chapter 4 of the Plan, the design and functional elements as set forth in Chapter 5 of the Plan, the development standards and land use requirements of Chapter 6 of the Plan, and phasing and implementation provisions of Chapter 7 of the Plan.

Applicant’s Response: *This condition is an informational statement. No response necessary.*

3. A Planned Unit Development (PUD) application shall be approved prior to development of each phase of development in the Rosario MPR. A Planned Unit Development shall satisfy the requirements of SJCC 18.60.190 Master Planned Resort Development and SJCC 18.60.220 Planned Unit Development, provided that the development standards and allowable land uses established in Tables 6.1-1 and 6.2-1 of Chapter 6 of the Rosario Resort Master Plan shall be used in place of similar provisions contained in or referenced by SJCC 18.60.220.G.

Applicant’s Response: *The applicant has read and understands this requirement. A PUD application, together with the necessary shoreline permit applications and an application for preliminary plat approval are being submitted for the first phase Resort redevelopment as identified in Section 7.1 of the Resort Master Plan. Compliance with the SJCC sections cited above is described in Section C of this*

Exhibit. Chapter 6 of the Resort Master Plan establishes bulk and dimensional requirements specific to Rosario Resort and identifies the range of land use activities allowed in Rosario.

4. When required, applications for shoreline development or uses for the portions of a PUD within shoreline jurisdiction shall be submitted at the same time as the PUD application and shall be processed along with the PUD application. A complete application for preliminary subdivision or binding site plan approval, as appropriate, shall be submitted with each PUD application.

Applicant's Response: *An application for a Shoreline substantial development permit and conditional use permit and an application for preliminary plat approval are being submitted with this PUD application (see Tab B and Tab C of the Rosario Redevelopment Application Notebook.*

5. Development under the Master Plan will proceed in the phases described in Chapter 7 of the Resort Master Plan, unless a change to this phasing is approved by the County Council, after receiving a recommendation from the Director of the Department of Community Development and Planning. The Council may allow changes in the overall phasing, including smaller phases and phasing within a single PUD, if concurrency standards, the criteria in SJCC 18.90.060.H.1.c, and other applicable requirements are met, without modifying the Master Plan.

Applicant's Response: *The redevelopment proposed under this application for Rosario Resort PUD #1 is substantially consistent with the first phase of development described in Section 7.1 of the Resort Master Plan. Section A.1 above explains the relationship between this PUD#1 redevelopment proposal and Phase 1 redevelopment as outline in the RMP.*

6. Each PUD or phase of a PUD shall be subject to environmental review under SEPA. The environmental documents for the Master Plan may be adopted by reference or supplemented as allowed by SEPA. Each application submitted for approval shall identify which mitigation measures identified in the FEIS have been adopted and incorporated into the proposal and which mitigation measures identified in the FEIS are not adopted and incorporated into the proposal. The County Department of Community Development and Planning and the County Engineer shall review the adopted mitigation to determine whether those measures adequately address the impacts of the proposal. Nothing shall prevent the applicant from substituting different but equally effective mitigation measures than those identified in the FEIS to address a specific impact, nor shall the requirement to adopt mitigation measures from the FEIS prevent the County from imposing additional or different mitigation measures in response to potential environmental impacts identified during environmental review of the specific Planned Unit Development proposal and/or Shoreline Permit application.

Applicant's Response: *A SEPA Checklist is being submitted with this PUD application. In addition we are requesting that the County adopt by reference the environmental documents prepared for the approval of the Rosario Resort Master Plan. Section B of this Exhibit includes a summary description of each of the mitigation measures identified in the Rosario Resort Master Plan EIS for Option B and whether and how each of these measures has been incorporated into this proposal.*

7. At least one public meeting shall be held by the applicant in the Rosario Resort area prior to the submittal of a Planned Unit Development application for any phase of development. The meeting shall be for the purpose of explaining the development proposed in the Planned Unit Development application and soliciting comments on the development proposal.

Applicant's Response: *A public meeting to introduce the phase 1 proposal to the public was held on February 20 2015 at Rosario Resort.*

8. The resort shall be operated in a manner which assures that adequate capacity exists for short term use of condominium units, in a manner consistent with the operational objectives stated in the Master Plan. Except for the Cliffhouse Court residences, and also except for housing for employees of the resort, the condominium units that will be developed under the approved plan shall not be occupied as a primary residence or main home. The limitation on the use of condominium units as a primary residence or main home shall be included in the conditions of any subsequent Planned Unit Development approval.

Applicant's Response: *The applicant acknowledges the limitation on the use of the privately owned vacation units as a primary residence or main residence of the owner. The only exception is for the Cliffhouse Court residences and the housing for employees. The applicant also understands that this requirement will be made a condition of PUD approval.*

9. When the first PUD application is filed the County Public Works Department and the County Engineer shall review the State approved Rosario Utilities Sewer System Plan, prepared by an engineer licensed in the State of Washington. The Sewer Plan shall include specifications for a sewer treatment plant of sufficient size to serve the anticipated demand from the build out of the Resort. The specifications shall include sufficient detail to identify the amount of land needed to support the expanded treatment plant and to determine whether sufficient land is available within the utility tract.

Applicant's Response: *At the time this condition was drafted, the sewage treatment plant was owned by Rosario Resort. The ownership and operational responsibility for the plant is now held by an independent utility provider, Washington Water Service Company (WWSC). WWSC has provided a letter (see Exhibit RR-9) describing sewer service availability for the resort and the terms under which it will be provided including a list of improvements needed to the plant to provide the additional capacity. WWSC states the improvement needed are relatively minor using mostly existing lagoons and equipment. It appears that no additional land is required to make the necessary improvements to the system.*

It is our understanding that the approved Rosario Sewer System Plan is a very large document. To satisfy this condition, we propose to meet with the County Public Works staff and a representative of WWSC to discuss the sewer system and provide whatever information Public Works requires to verify that the existing utility treatment site is of sufficient size to support the necessary improvements to the treatment plant summarized in the letter from WWSC.

10. The preliminary stormwater analysis prepared for the Rosario Resort Master Plan FEIS identified the natural drainage basin that affect and are affected by the Resort. Under the County's Unified

Development Code, applications for PUD approval include a requirement that a stormwater management analysis be submitted in support of the application. To assure that sufficient long term planning for stormwater management is included in the analysis, and to assure that short term construction is coordinated with long term stormwater management needs, the stormwater analysis for the first PUD application shall include a description of the stormwater management strategy for all the drainage basin(s) in which the Master Planned Resort is located. The sizing of stormwater facilities shall be based on long term anticipated stormwater management needs. For planning purposes, this stormwater management plan shall assume full development under the Master Plan within areas in the basin(s) covered by the Master Plan, and shall assume development at existing densities or maximum allowable densities for areas outside the Master Plan (whichever is greater). The stormwater plan shall be certified by an engineer to show evidence that it is technologically sound, and the plan shall be reviewed by the County Engineer.

Applicant's Response: *A Stormwater Management Plan meeting the requirements identified above is being submitted as Exhibit RR-5*

11. The intersection of the Hilltop access road and Olga Road shall be studied, designed and any improvement required by such Traffic Study shall be completed prior to issuance of final approval of any building constructed on the Hilltop Parcel. The intersection Traffic Study shall be provided with the application for any PUD that proposes development on the Hilltop, and that study shall be reviewed by the County Engineer.

Applicant's Response: *The intersection evaluation is underway (see letter from TSI regarding description of study, methodology and completion date). The study will be completed by mid-January 2016 and will be submitted upon completion.*

12. The employee food service and recreation building planned for the Hilltop parcel shall be constructed concurrently with or before new dormitory buildings are constructed. The food service and recreation facility shall be sized to adequately serve the needs of all employees who will live at the dormitory buildings.

Applicant's Response: *The support functions described above will be constructed as part of the construction of new employee housing units*

13. The applicant shall develop rules of conduct for the people living at the employee housing facility. These rules of conduct shall be provided at the time of application for any PUD that proposes development on the Hilltop.

Applicant's Response: *The Rules of Conduct for the Resort including the Hilltop area are included as Exhibit RR-11.*

14. At the time an application is submitted for a PUD which proposes construction on the Hilltop Parcel, the County Department of Community Development and Planning will review the application for

compliance with the Hilltop Conceptual Site Plan which is included in the plan as Figure 4.7-2, and the following:

- a. The overflow parking lot shall be located on the elevated bench between the Eastsound to Olga Road and the maintenance yard, placing the yard about 300 ft. from the road and the buildings approximately 400 ft. away.
- b. A naturalistic system of bio-filtration swales and settling ponds with planted wetland vegetation shall be used to treat stormwater rather than a visually obtrusive, engineered basin.
- c. Vegetative screening within and around the detention basin shall consist of native vegetation consistent with the findings and recommendations of the Historic Resources Management Plan.
- d. Buildings at the Hilltop shall be designed to maximize visual subordination through the use of non-reflective building materials, dark exterior colors (green or brown), large overhangs, etc. If the Resort ceases to operate as a resort, the uses on the Hilltop property shall be vacated until the Plan is amended to allow alternate uses, or until the County Council takes other action.

Applicant's Response: *The employee housing area and supporting resort functions is substantially consistent with the Hilltop Concept Plan shown on Figure 4.7-2 of the Resort Master Plan and with the requirements listed above. However as a result of further site analysis including a wetland delineation pursuant to the second bullet in Section 7.2.3 Technical Studies on page 136 of the approved Resort Master Plan, the proposed site plan differs somewhat from the conceptual site plan. The proposed development plan covers less area and is more compact than the concept plan. The design features identified in items a through d above are incorporated in the proposal. In addition, to further protect the aesthetic of the park entrance and entrance arch and minimize the potential for intrusive visuals of human activity in an otherwise natural setting, the site plan for the Hilltop has been redesigned to move the maintenance buildings further away from the park boundary and park entrance. Vegetative screening along the Olga Road frontage of the site will screen the maintenance facility from motorists traveling on Olga Road to the park.*

15. The existing emergency helicopter landing zone is currently used and shall continue to be dedicated for emergency flight operations only. This landing zone currently consists of a concrete-paved area located on the center of the jetty, which is marked with a painted cross and is clearly visible from the air. To enhance operational safety, the site marker will be re-painted, the flag pole will be relocated, and the landing zone area will be maintained by the Resort as stipulated by Airlift Northwest and the Orcas Fire Department. This maintenance includes (but is not limited to) removal of debris, unsecured materials, and tall vegetation. When flight conditions require, the grass lawn area between the Figure-8 Lagoon and Cascade Bay will continue to be used as an alternate landing location.

The entire Cascade Bay waterfront from the Discovery House to the jetty functions as a natural wildfire safety zone due to the fire breaks provided by the waters of the Figure-8 Lagoon and Cascade Bay, and the lack of ladder fuels (large dry vegetation) in this area. This waterfront area shall continue to serve as a wildfire safety zone under Section 5.8 of the Master Plan. With application for the first PUD, the

applicant shall provide documentation showing that these, or other acceptable wildfire safety and the emergency helicopter landing zones have been approved by the Orcas Island Fire Chief and a helicopter medivac service provider.

Applicant's Response: *The helicopter landing site is shown on Fire and Emergency Access Plan on page 37 of the Rosario Design and Development Guidelines submitted as Exhibit RR-4. The site will operate as an emergency landing site only and will not be improved to commercial helicopter pad standards in order to minimize its visual impact. The maintenance and operation standards for the emergency helicopter landing area identified in Exhibit 5-9 of the RMP are included by reference in the Design and Development Standards and Guidelines in the notes on page 37.*

16. The Resort Owner shall pay for all roadway and other traffic related improvements to mitigate the traffic impacts of new development, as identified in section 3.9 of the Master Plan FEIS and as may be modified by the provisions of Condition #6 above.

Applicant's Response: *Transportation improvements and management are addressed by Mitigation Measure T-M-2 in Section 3.9 of the Rosario EIS. The mitigation measure identifies that traffic impacts can be mitigated through the development of a Transportation management plan to be implemented by a Transportation Coordinator. The plan would include measures to manage, reduce or divert traffic demand as well as physical improvements to enhance safety such as the installation of signage and road surface markings to alert drivers to impending sight distance limitations and horizontal curves on Rosario Road. The Transportation Management Plan will be prepared in consultation with the San Juan County Public Works Department and the applicable improvements made prior to submitting for Final Plat Approval. (See Subsection 9 of Section B of this Exhibit).*

17. The Moran Mansion is an integral component of the on-site recreational amenities necessary for this Master Plan. To assure that the Moran Mansion is renovated in a timely manner, the first PUD application for development of more than the two Cliffhouse Court homes shall include, for approval of the County, a) a proposed plan for renovation of the Mansion adequate to ensure a life of at least 50 years, and b) a proposed construction schedule for the Mansion and the other development proposed under the PUD. This schedule may allow for construction of the 21 rooms and 3 suites proposed in the Mansion Annex, and up to 40 new and replacement resort units including condominium units. The 48 units to be constructed on the 9.13 acre Rosario Harbor Tract shall not be counted toward this limit, so this will allow construction of 66 of the remaining 134 rooms and units. Once the limit of 66 units is reached, no building permits will be issued until the Moran Mansion renovation, as set forth in the schedule, is completed and final approval is granted by the Building Official. If the Moran Mansion renovation is not completed in accordance with this schedule, or any extension which may be granted, the County may suspend issuance of building permits within the MPR for non-compliance with this condition, with notice.

Applicant's Response: *The existing Historic Moran Mansion is in the process of being renovated and remodeled. The renovation effort is being guided by the need to retain the architectural character of this historic structure to continue its traditional function as an historic attraction to the public. Ongoing*

renovations to the Moran Mansion include recently completed improvements to the dining and kitchen facilities, indoor pool and Spa/Exercise area. Additional renovation/remodeling is scheduled as part of this phase 1 proposal and will include a redevelopment of the mansion entry point including a covered pickup and drop off area (porte-cochere), renovation of the circular arrival drive and rehabilitation of selected exterior surfaces, new landscaping and improvements to the pool area. Upon completion of the current and proposed rehabilitation effort, the life of the mansion structure will have been extended for at least 50 years. We propose to work with the county to develop a construction schedule for completing the renovation of the mansion as part of the PUD review and approval process. Implementation of the specific construction schedule and Mansion renovation plan would then become a condition of approval of the PUD.

18. The shoreline in the Resort Core area shall remain open to the public, as provided in Plan Objective 2.6 and Section 5.3.2. Proposed rehabilitation of the shoreline will occur during construction proposed for that area as described in the Resort Master Plan and Final EIS, and this rehabilitation will be included in future shoreline permit applications. With the first PUD application, the applicant shall submit a proposed schedule for shoreline rehabilitation actions for County review and approval.

Explanation: The timing of shoreline restoration and enhancement is described in the RMP and FEIS. In general, the restoration accompanies the project in that particular area. One restoration, for example, can only occur during Phase II -- elimination of the revetment and restoration of the shoreline to natural, soft shoreline conditions can only occur in coordination with the marina expansion because the new, natural shoreline has to be protected from storm damage, which would be provided by the proposed floating breakwater as part of the marina expansion.

Applicant's Response: *The shoreline restoration work proposed at and below the ordinary high water mark (OHWM) described in the Resort Master Plan and referenced above is substantially contingent on the expansion of the marina which includes the installation of a breakwater. Removal of the shoreline revetment and the restoration of the shoreline can only occur if the breakwater is installed and perhaps not even then depending on what conditions are imposed on a future marina expansion. Without knowing when or even if a marina expansion will be made, it is not possible to develop a schedule for shoreline rehabilitation work below the OHWM and as a result, no rehabilitation schedule has been included in this application for shoreline restoration below the ordinary high water mark.*

However as described in Exhibit RR-4, rehabilitation of the shoreline above the OHWM is planned in this Phase 1 PUD and includes the construction of paths and the installation of landscaping and other shoreline restoration improvements landward of the ordinary high water mark along the waterfront to improve public access. Rehabilitation work above the OHWM is planned for in the Phase 1 redevelopment plan (See Section 5 of Exhibit RR-4).

19. Operation of Rosario Resort under the approved Master Plan shall include the establishment of uses in the Mansion that provide the public with the opportunity to see this historic resource. The range of uses shall be generally consistent with the uses proposed in Section 4.4.1 of the Master Plan including food service, public performances and tours. With the exception of construction or health, safety or

security concerns, the Mansion will be open during normal business hours for those types of uses, and under reasonable operational limitations.

Applicant's Response: *The mansion is currently open to the public and has been and will continue to be the centerpiece of Rosario Resort. Current uses in the mansion include a restaurant, bar, performance space and self-guided as well as guided tours. Proposed PUD phase 1 improvements to the mansion will include upgrades to the restaurant and expansion of the kitchen. The improvements to the mansion proposed under this PUD application together with other improvements made over the past several years show the owner's commitment to providing the public with opportunities to view this historic resource.*

20. To meet the requirements of the Shoreline Master Program, and to provide for adequate short term visitor accommodations, only commercial structures may be built within 200 feet of the ordinary high water mark of the shoreline. Structures owned by the Resort, and operated to provide retail sales and services related to the Resort, shall be considered commercial. For condominium units to be considered commercial the units must be included in, and remain in the Rosario Resort or Cascade Harbor Inn Rental Programs. For all property located within 200 feet of the ordinary high water mark, the applicant must include these requirements in a "Notice to Title", and provide a copy of the recorded notice to the Community Development and Planning Department before a building permit will be issued. Following is the language that must be used in the Notice to Title:

Notice to Title

Rosario Resort Shoreline Structures. To meet the requirements of the San Juan County Shoreline Master Program within the Rosario Resort Master Plan land use zone, only commercial structures may be built within 200 feet of the ordinary high water mark (OHWM) of the shoreline. Commercial structures include a) structures owned by the Resort and operated to provide retail sales and services related to the Resort, and b) condominium units included in the Rosario Resort or Cascade Harbor Inn Rental Programs. Commercial structures located within 200 feet of the OHWM may not be converted to non-commercial uses.

Applicant's Response: *The applicant will comply with this requirement.*

21. The following minimum requirements are established for the sections of the Resort subject to the requirements of the Shoreline Master Program. These minimums do not supersede requirements that may subsequently be imposed by the Hearing Examiner or the Department of Ecology, and if there is a conflict the more restrictive requirement shall apply. If the applicant is unable to meet the required setbacks they may relocate and/or combine units in upland areas, without a loss in the total number of approved units.

a. The Bowman's Bluff Cottages shall be located at least 50 feet from the Ordinary High Water Mark (OHWM), shall be screened with native vegetation, and shall be designed using non-reflective surfaces, dark colors and other architectural techniques to help them blend into the hillside. These techniques are described in Exhibit 5-10 which has been added to the Plan.

Applicant's response: The drawing on page 41 of *Exhibit RR-4* shows the location of the Bowman Bluff Cottages in relationship to the ordinary high water mark and the required 50 foot setback. Architectural design techniques and landscaping consistent with the above requirements will be described and included in future building permit applications.

b. The Luxury Waterfront Cottages (Number 2 on Figure A-1, located between the Mansion Annex and Cascade Bay) shall be located at least 50 feet from the OHWM, shall be landscaped with native vegetation to provide partial visual screening and will use the architectural techniques described in Exhibit 5-10 to make them less visible from the water. In addition the two eastern most cottages will be set further back as shown in the attached plan. This will reduce the developed footprint near the shoreline and will allow stormwater to be more easily managed.

Applicant's response. Figure A-1 referenced in the above condition is located in Appendix 1 on page 149 of the RMP. As shown on the site plan, Exhibit RR-1, the number of Luxury Waterfront Cottages as a type of unit has increased from seven to nineteen. They are now simply single unit mansion cottages and are no longer planned for fractional ownership. The resort will own and manage these units as guest rooms.

Twelve of the now nineteen single unit cottages replace 12 of the 24 units that were proposed in the Master Plan to be housed in a multistory addition to the Moran Mansion (Mansion Annex). The Moran Mansion addition proved to be architecturally unappealing and adversely affected the visual character of the iconic and historic mansion structure.

The change from having units in a multistory hotel-like addition to that of dispersed single detached hotel units meant distributing the units around the Mansion. All of these luxury waterfront cottage unit equivalents are located landward of the 50 foot setback line (see page 41 of Exhibit RR-4) establish for the luxury waterfront cottages by this condition. The current site plan shows how they have been distributed. The visual effect from the water will be more in character with the historic developed shorelines of the islands, i.e. small detached one story cottages of modest size. The small size of these units and their location with respect to the Mansion will help preserve the Mansion's dominating presence.

c. The Waterview Cottages (Number 5 on the attached site plan, located near the Roundhouse) shall be located at least 75 feet from the OHWM, and may be combined with other upland structures or configured as stacked flats or town-homes located at the former quarry (jetty site) to meet this requirement (see Figure A-1). Relocating two cottages as shown, changes the unit mix from 30 Marina View Condos and 19 Marina Village Cottages to 32 Marina View Condos and 17 Marina Village Cottages.

Applicant's Response: As shown on the site plan in Exhibit RR-1, the two two-story 4-plex Waterview Cottages units (now simply multi-unit mansion cottages) have a 75 foot setback.

d. Changes in the location of the OHWM as a result of shoreline restoration approved by the County shall not result in an increased setback requirement (i.e. the OHWM prior to restoration will be used to determine this setback).

Applicants Response: No response necessary

22. To reduce the risks associated with structural fires, the renovated mansion and all new development shall be provided with automatic fire sprinklers.

Applicant's response: Compliance with this condition will be provided at the time building permit applications are submitted.

23. The approved Rosario Resort Master Plan includes removal of 42 existing rooms and units with overnight accommodations, and the construction of up to 182 new and replacement rooms and units, for a net increase in 140 units with overnight accommodations.

Applicants response: This PUD application for Phase 1 of the resort redevelopment includes the removal of 42 of the existing 44 hotel units and the construction of a total of 95 new units and two Cliffhouse Residences. The total of 99 units (95 new hotel/vacation units plus 2 remaining units and two Cliffhouse Residences) proposed for the Phase 1 of the Resort redevelopment in this application is consistent with the 99 units total proposed for Phase 1 of the Resort redevelopment proposed in the Resort Master Plan.

24. Violation of these Conditions of Approval may be considered grounds for the County to withhold new building permits within the MPR, to initiate proceedings to revoke or modify approval of the Master Plan, or to take other enforcement action as allowed by law.

Applicant's Response: The applicant has read and understands this condition.

25. Nothing in these conditions shall be evidence of the approval of a permit to be issued in the future or waiver of any requirement of county, state or federal law.

Applicant's Response: The applicant has read and understands this condition.

26. These conditions are binding.

Applicant's Response: The applicant has read and understands this condition.

Section B – SEPA Mitigation Report

Introduction:

Section B of this Consistency Analysis describes how the mitigation measures identified in the Rosario Resort Master Plan Final Environmental Impact statement (FEIS) are being met by the Phase 1 redevelopment proposal.

The mitigation measures listed below are those identified in the table in Chapter 7 of the Rosario Resort Master Plan FEIS. That table contains a summary of all of the mitigation measures applicable to the Alternative/Option B Master Plan proposal evaluated in the FEIS. The Alternative/Option B redevelopment proposal was the applicant's preferred redevelopment alternative for Rosario Resort. The Alternative B proposal was set forth by the applicant in their 2006 Rosario Resort Master Plan submittal. That proposal along with an Alternative "A" proposal and the "No Action" Alternative were evaluated in the SEPA documents prepared for the Rosario Resort Master Plan adoption process.

The San Juan County Council approved the Alternative/Option B alternative (the applicant's preferred alternative) with some clarifications to the Master Plan text. A final 2007 Rosario Resort Master Plan was issued incorporating the clarifications approved by the County Council and incorporating Conditions of Approval.

Conditions #1 required that future redevelopment proposals incorporate the mitigation measures applicable to Option B. Condition #6 required that each proposal submitted for approval under the master plan identify which mitigation measures are included in the proposal and which are not. The following has been prepared to satisfy the requirements of those two conditions.

With regard to the list of mitigation measures, as noted above, the table in Chapter 7 of the FEIS is a summary of the text of all of the mitigation measure identified in the body of the FEIS as applicable to Alternative B. The description for each of the mitigation measures listed below was quoted directly from the table in Chapter 7. Where the summary in the table was not adequate to fully identify what was intended, additional information has been provided to expand upon the summary statement. The paragraphs that begin with the word "**STATUS:**" describe how each of the range of mitigation measure is addressed by the Phase 1 redevelopment proposal.

B.1. Land and Shoreline Use (Section 3.1 FEIS)

Mitigation Measures Applicable to Alternative B:

LSU-M-3 Adjust MPR Boundaries to exclude Geiser/Meade and Scharnhorst Properties.

Status: Completed; County Ordinance 11-2007 adopted a new land use map that re-designated these two properties Rural Residential (RR) from Master Planned Resort (MPR)

LSU-M-4 San Juan Shoreline Program would continue to regulate land use within the shoreline area to assure consistency with the Shoreline Management Act and the County's Shoreline Program.

Status: Appropriate Shoreline Permit applications are being submitted as part of this PUD application to assure compliance with applicable Shoreline regulations,

Management Practices Applicable to Alternative B:

LSU-OMP-1 If Rosario operations cease or portions of the property are sold, such former portions of the Resort would need to be re-designated in compliance with the county land use regulations.

Status: No action necessary. Rosario Resort PUD #1 does not propose that the resort no longer operate or that any of the property within the MPR designation be sold for other than resort related uses.

LSU-OMP-3 Perform careful site design, buffering and screening by developing and implementing design guidelines.

Status: The Rosario Resort Design and Development Standards and Guidelines, Exhibit RR-4, illustrates the careful design work that was completed to arrive at the current proposed design. Exhibit RR-4 includes standards and guidelines for parking, landscaping, buffering and screening, lighting, utilities and other site features.

B.2. Plan and Policy Consistency (Section 3.2 FEIS)

Mitigation Measures Applicable to Alternative B

PPC-M-2 Shoreline Substantial Development Permits and Shoreline Conditional Use Permits as mandated by SJCC 18.80.110 to address SMP Compliance.

Status: The range of shoreline approvals required for PUD #1 have been identified and appropriate shoreline permit applications are being submitted with this application.

PPC-M-3 Planned Unit Development approval to assure to assure consistency with UDC.

Status: A PUD application has been submitted for Rosario Resort PUD #1 for Redevelopment of the Resort Core and Hilltop sites.

B.3. Earth and Stormwater (Section 3.3 FEIS)

Mitigation Measures Applicable to Alternative B

A. Soils Slopes and Geology

ES-M-15 Use of Shallow backfilled utility trenches

Status: The full text of this mitigation measure identifies that shallow trenches with back fill placed over conduits may be utilized, to minimize the need for blasting and/or use of hoe-pack to dig utility

trenches. The use of shallow trenches and conduits will be evaluated on a case-by-case basis for each of the new utility lines to be installed and will be used if appropriate to do so. Utility trench construction details will be prepared at the construction engineering phase and submitted to the utility provider for approval prior to construction.

ES-M-16 Conduct technical or engineering study to evaluate infiltration and amend to soil to absorb stormwater accordingly.

Status: The full text of this mitigation measures identifies that bedrock topography needs further examination to determine where and if infiltration is feasible and whether soil amendments could improve the prospect of using infiltration as a stormwater management tool. The Stormwater Site Plan, Exhibit RR-5 confirms that the soils on site are in general not suitable for infiltration. They are shallow for the most part and underlain by bedrock. The Stormwater site plan identifies other BMP's that will be used control runoff and provide treatment.

ES-M-17 Employ road building methods unique to local slope conditions.

Status: The full text of this measure generally identifies that where roads cross steep slopes, most of the road bed should be cut into bedrock and the shoulder of the downhill lane can be supported by rock walls constructed in the same historic style as wall originally built by Moran. No new roads crossing steep slopes are planned for Phase 1 of the Resort Redevelopment.

ES-M-18 Utilize stable existing bedrock for anchoring new construction.

Status: The full text of this mitigation items notes that bedrock conditions over the site provide very good conditions for the construction of cottages almost anywhere on the site. Suggested strategies for installing building foundations on bedrock are also described. At the time construction drawings are being prepared, each individual building site will be evaluated to determine the appropriate type of foundation. Foundation plans will be subject for review and approval at the building permit stage.

ES-M-19 At Hilltop employee housing and support complex, construction of relatively flat bench.

Status: The full text of this mitigation item identifies that the flat bench planned on the hilltop property in an area on the hilltop characterized as broad, largely cleared and relatively flat would not have adverse impacts on soils, slopes or geology. Development on the Hilltop proposed in this PUD application still includes creation of a relatively flat bench at the location described in this mitigation item. As a consequence and consistent with the language of ES-M-19 above, no adverse impacts to soils, slopes or geology are anticipated.

B. Drainage and Groundwater

ES-M-21 Use of bioswales surrounding small parking lots blended into landscape.

Status: The full text of this mitigation item essentially identifies that smaller parking lots such as those proposed in Plan Alternative B are preferred to larger lots such as those in Plan Alternative A. This item

also identifies that smaller lots allow the use of smaller bioswales integrated into the landscaping. The smaller parking lot concept has been incorporated into the site plan. Parking areas are distributed along roadways and in designated parking lots. The Stormwater Site Plan employs the use of Bioswales and vegetated buffers to capture and treat runoff from parking areas. The drainage features are incorporated in to the landscape plan.

ES-M-22 Design roads to treat and direct stormwater runoff.

Status: This mitigation item identifies measures that could be employed to minimize the impact of stormwater runoff from roadways. Measures such as placing quarry spalls in ditches to prevent erosion, installation of extra thick subgrades, grading roads to slope into the hill to allow stormwater to infiltrate can be used as appropriate to improve stormwater quality and reduce runoff. The Stormwater Management Plan (Exhibit RR 5) describes the range of measures that will be used to mitigate roadway stormwater runoff. The Stormwater Site Plan uses selected BMP's from the state stormwater manual to minimize impacts of stormwater runoff from roadway and other impervious surfaces. The state approved BMP's are consistent with the ideas expressed in this mitigation item

ES-M-23 Use of green development practices for Woodland Cottages (i.e. cottages can be built with minimal loss of tree canopy and on piles anchored to bedrock to allow infiltration and preserve soil without causing mass wasting). Use low impact development and green building materials to minimize impervious surfacing.

Status: This mitigation measure applies primarily to the Woodland Cottage development proposed in phase 2 of the resort redevelopment and not to the development proposed on phase 1. Tree removal in the sparsely wooded Resort Core was not identified as a significant issue. However the full text of this mitigation item describes a range of mitigation measures that could be employed to minimize drainage and stormwater impacts in general as a result of an increase in impervious surfacing due to building construction.

The Stormwater Site Plan for the Resort Core (Exhibit RR-5a) describes the range of measures that will be used to mitigate for an increase in impervious surfacing as a result of building and parking development in the Resort Core. The measures described in the stormwater report are consistent with the ideas expressed in this mitigation item. Construction Stormwater Management Plan(s) (CSWMP) will be provided with construction permit applications where required by county stormwater regulations. A separate Stormwater site plan has been prepared for the Hilltop employee housing area, Exhibit RR-5b. That Stormwater Plan also includes site specific mitigation measures that will be employed to control and treat stormwater runoff from impervious surfaces in the Hilltop development area.

ES-M-24 Use of level spreaders and footing drains.

Status: The full text of this item describes measures for mitigating roof top runoff volumes including use of level spreaders and integrating roof top stormwater runoff control with foundation design. The Stormwater Management Plan (Exhibit RR-5) describes the range of measures that will be used to

mitigate potential impacts of roof top runoff. The measures described in the stormwater report are consistent with the ideas expressed in this mitigation item.

ES-M-25 Use of stormwater storage vaults in basements.

Status: The full text of this mitigation measures identifies possible use of daylight basement design features for storage of stormwater This mitigation item identifies one possible drainage/stormwater mitigation measure. The use of daylight basements as storage vaults for stormwater was not one of the mitigation measures selected from the possible list of measures to mitigate potential drainage/stormwater impacts. Exhibits RR-5a and b describes the drainage/stormwater mitigation measures that will be employed to minimize impacts.

ES-M-26 Cottages locations in the plan are on sites where excavation will have minimal impacts on groundwater flows.

Status: The cottage locations shown in this PUD application are consistent with the location shown in the master plan and therefore will continue to have minimal impacts on groundwater flow.

ES-M-27 Use of shallow utility trenches to minimize groundwater interruptions.

Status: The full text of this mitigation measure addresses issues related to subsurface utilities serving the Woodland Cottages and identifies possible mitigation measures for address potential impacts to ground water flow as a result of utility trenching in the upper basin. This PUD application covers phase 1 redevelopment of Rosario Resort which does not include new Woodland Cottages. Woodland Cottages are planned for future development under phase 2. The mitigation measures suggested here will be evaluated at such time as Woodland Cottage development is proposed.

ES-M-28 Use of stormwater infiltration methods in Hilltop parking design

Status: The full text of this mitigation measures address potential stormwater quality impacts from the development of employee housing on the hilltop. Measures identified include those to prevent untreated stormwater from entering Cascade Lake including use of bioswales, infiltration features, pervious parking surfaces and describing design alternatives. The Stormwater Management Plan for the Hilltop (Exhibit RR-5b) describes the range of measures that will be used to mitigate potential drainage and stormwater impacts of the redevelopment of the employee housing area. The measures described in the stormwater report are consistent with the ideas expressed in this mitigation item.

ES-M-29 Prohibition of vehicle maintenance and outdoor fires at Hilltop.

Status: Employees housed in the Hilltop units will not be allowed to conduct vehicle maintenance on the hilltop site to mitigate for potential ground water contamination. Outdoor fires will not be permitted to mitigate the potential for wildfire and subsequent damage to the watershed. The prohibitions contained in this mitigation measure have been incorporated into the Rules of Conduct at the employee housing facility. The rules have been developed as required by Condition #13 of the

approval of the Rosario Resort Master Plan (RMP, Appendix 1 pg 145). The Rules of Conduct are included in this application as Exhibit RR-11.

ES-M-30 Use of onsite sewage system to promote water budget.

Status: The full text of this mitigation item discusses potential effects both positive and negative from the use of on-site sewage disposal systems. Rosario Resort is served by a state approved wastewater treatment system. Because of shallow soils and steep slopes among other issues, no on-site sewage disposals systems have been or will be installed in Rosario Resort.

ES-M-31 Implementation of Conceptual Stormwater Management Plan to effectively control stormwater.

Status: The full text of this mitigation item identifies that a conceptual stormwater management plan to effectively control stormwater was created for the master plan in accordance with the State Stormwater Management Manual and the San Juan County Unified Development Code. The conceptual plan was included as Appendix G of Vol. II of the FEIS. A project specific Stormwater Site Plan for Phase 1 of the Rosario Resort redevelopment has been prepared to fulfill the requirements of Condition #10 of the approval of the Rosario Resort Master Plan (RMP Appendix 1 pg 144) The plan, submitted as Exhibit RR-5, is a more detailed analysis of drainage and stormwater conditions on the subject site and contains greater detail about how stormwater will be managed specific to the PUD #1 proposal. The applicant is proposing to implement the more detailed and project specific stormwater management plan developed for this proposal.

Management Practices Applicable to Alternative B

ES-OMP-2 Monitoring of soil and water quality in bioswales receiving stormwater from large parking areas.

Status: Bioswales will be monitored for the list of problems that might occur as identified in the state stormwater Manual and the recommended corrective action taken as necessary. Section 4.6 of the Stormwater Site Plan, Appendix RR-5a includes a list of potential problems that affect bioswales and provides recommendations for corrective actions. Groundskeeping personnel will visually monitor bioswales and other stormwater systems to be sure they are functioning as intended.

ES-OMP-3 Compliance with Department of Ecology's Stormwater Manual for Western Washington.

Status: The Stormwater Management Plan Exhibit RR-5 was developed based on the guidelines established in the DOE Stormwater Manual. As required by San Juan County Code, Construction Phase Stormwater Management plans will be submitted for review and approval by the County with each land disturbance or building permit application submitted in conformance with the preliminary engineered stormwater management design described in RR-5..

ES-OMP-4 U.S. Army Corps of Engineers permits and 401 Certification from the state Department of Ecology.

Status: The full text of the mitigation measure addresses permitting requirements to expand the marina and identifies the requirement that a larger marina must meet the state water quality standards as well as local and federal regulations. Expansion of the marina is not being proposed in phase 1 of the Resort redevelopment and is not included as in this PUD application.

ES-OMP-5 Minimize invasive species in cleared areas by retaining tree canopies. Control campfires and the car repairs at Hilltop.

Status: This mitigation measure identifies that Action Alternative B (Rosario's preferred Master Plan alternative and the one approved by the County) will have the effect of minimizing invasive species on the Hilltop because the existing forest cover will be substantially retained. The current proposal for development on the Hilltop is consistent with the development proposed in Alternative Plan B and consequently the Master Plan. The Hilltop site is approximately 39 acres in size and except for the approximately 1 acre of cleared area at the site of the existing employee housing development, the site is mixed woodlands with substantial forest cover. The Phase 1 development proposal would increase the amount of clearing by about 4 acres for a total of 5 acres of clearing developed with employee housing and other Resort support facilities, leaving a total of about 34 acres of the site undisturbed.

The control of auto repairs and campfires on the Hilltop is part of the Employee Rules of Conduct document Exhibit RR-11 (need to add this to exhibit list)

B.4 - Water and Sewer (Section 3.4 FEIS)

Mitigation Measures Applicable to Alternative B

WS-M-6 Conversion of existing water rights to domestic purposes. Compliance with the Department of Ecology requirements for discharge.

Status: Water rights transfer is not necessary at this time. The existing water right is sufficient to provide water service to Phase 1 of the Resort Redevelopment. A water rights transfer may be needed in the future to provide for water service to Phase 2 redevelopment.

The wastewater treatment plan operates under a state issued NPDES permit. All phases of the operation of the treatment plant including the quality of effluent is subject to the review and approval of the Washington State Department of Ecology under the terms of the NPDES permit system.

B.5 - Plants and Animals (Section 3.5 FEIS)

Mitigation Measures Applicable to Alternative B

PA-M-4: Protocol-level surveys for TES species prior to construction.

Status: This mitigation measure will be implemented by conducting an appropriate TES survey prior to the submittal of a land disturbance permit or building permit application to verify that no TES species will be adversely impacted by construction activities. The FEIS notes that portions of the site contain

terrestrial wildlife habitat and that priority terrestrial bird species (bald eagles, osprey and Great Blue Herons and others) are known to occur in the vicinity of the site (see FEIS Table 3.5-3, pg 3-87).

“However, these species have never been observed nesting on the Resort Property.” (FEIS, pg 3-83).

The recently completed Critical Areas Summary Report, Exhibit RR-6, which provides a discussion of TES species based on the most current information, appears to confirm the findings with regard to priority species described in the 2006 FEIS.

PA-M-5: Survey of proximity of nesting birds on Cascade Lake prior to construction.

Status: Prior to making application for a land disturbance permit or building permit for a specific construction activity, this mitigation measure will be implemented by consulting with a wildlife biologist to determine whether that particular activity is likely to adversely impact breeding populations of birds or water fowl in and around Cascade Lake. If there is a potential for impact the biologist will identify mitigation measures specific to the construction work being proposed under that permit application.

PA-M-6: Interpretive signs discussing wildlife habitat and connectivity.

Status: This mitigation measure is specific to proposed trails connecting the main resort to Cascade Lake and Moran State Park (see full text of PA-M-6, FEIS, pg 104). The trails proposed under Rosario Resort PUD #1 are all located within the Resort Core area of Rosario and generally away from the 2nd growth forested wildlife habitat of the upper basin. The trail connections to the lake and to the park are planned for PUD #2 and not included in PUD #1. However, the pedestrian trails in the Resort Core that parallel the shoreline provide an opportunity to educate the public about the shoreline wildlife habitat and consequently the applicant will provide informational signage at stopping points along the shoreline trail explaining different features of the shoreline wildlife habitat.

PA-M-7: Selection of environmentally sound building materials.

Status: Materials will be selected for new construction so as to minimize the potential that the materials will introduce toxins and/or pollutants into the environment.

PA-M-8: Removal of snags and woody debris restricted to meet safety standards

Status: This mitigation measure was identified to minimize impact of development in the forested woodlands of the upper basin where woody debris and snags occur. The Rosario Core area which is the subject of the PUD application is generally devoid of woody debris and snags and with the exception of the Rosario Point was not identified in the FEIS as having the potential to be an environmentally sensitive habitat area (FEIS, pg. 3-91). Redevelopment of the Resort Core will include new landscaping with predominantly native species creating a less formal and more natural landscape more characteristic of the islands (see Section 4 of Exhibit RR-4 of this application).

PA-M-9: Directional night lighting to reduce ambient reflection and night glare impacts.

Status: The existing historic outdoor lighting will be retained. Where new lighting is installed to serve new parking areas and outdoor space, directional lighting will be used to minimize the illumination of

areas where lighting to address public safety concerns is not needed. Guidelines for the placement and operation of new outdoor lighting is provided on page 45 of Exhibit RR-4

PA-M-10: Avoid clearing buffer areas of parking lots, roads, and buildings within mature forest habitat.

Status: This mitigation measure was intended to mitigate impacts of development in the upper basin (Hillside) area of Rosario and will be implemented in the future if and when development in the upper basin is proposed as part of PUD #2.

PA-M-11: Development and implementation of Vegetation Management Plan addressing vegetation removal, re-vegetation and selection.

Status: The Landscape Plan Section 4 of the Design and Development Standards and Guidelines Exhibit RR-4 of this application includes vegetation maintenance as part of the landscape redevelopment in the Resort Core.

PA-M-12: No tree clearing will occur outside of 25-foot buffer surrounding each building to reduce potential impacts to mature, second growth forest.

Status: The full reading of this mitigation measure as found on page 3-104 of the FEIS shows that it is intended to apply to development in the upper basin (Hillside area). No development in the upper basin is planned under PUD #1. This mitigation measure will be implemented in the future at such time as development in the upper basin is proposed in a subsequent PUD application.

PA-M-13: Marine habitat studies and tidal and subtidal surveys will be conducted, and local, state, and federal permitting requirements would be met prior to marina approval.

Status: A full reading of this mitigation measure as found of page 3-105 of the FEIS shows that it applies to an expansion of the marina. Although no expansion of the marina is planned at this time, approval to redevelop the existing marina has been granted by federal and state resource agencies and by local county government based in part on recent marine habitat studies and tidal and subtidal surveys completed using appropriate protocols.

Management Practices Applicable to Alternative B

PA-OMP-1: BMPs (listed in Appendix I) implemented and maintained throughout the development process.

Status: This mitigation measure refers to the use of erosion/sedimentation control BMPs (Best Management Practices) during construction to protect surface waters from potential pollution from storm water runoff from exposed soils on construction sites. San Juan County and state storm water regulations require the submittal of a construction storm water management plan showing how storm water runoff will be managed during construction. The plan and the methods used to prevent erosion and sedimentation must conform to state and local storm water management regulations including the use of the appropriate project specific BMPs identified in the state storm water management manual. A

construction storm water management plan consistent with the requirements of the state storm water manual will be submitted with all applications for land disturbance permits and building permits.

PA-OMP-2: Construction of the new marina will comply with all appropriate local, state and Federal regulations and guidelines.

Status: No expansion of the marina as described in the Master Plan is planned at this time. However, the existing deteriorating Marina is currently being rebuilt. At such time as the marina is proposed for expansion and construction is authorized, all work will be done in accordance with local, state and federal regulations and approvals. All work on the recently approved plan for rebuilding the existing marina will comply with the local, state and federal approvals issued for the rebuilding of this structure.

B.6 -.Aesthetics (Section 3.6 FEIS)

Mitigation Measures Applicable to Alternative B

A-M-2: Development and implement of Design Guidelines addressing architecture, landscape architecture, signage, adequate vegetative buffer etc.

Status: Architectural character features consistent with the concepts set out in the Rosario Resort Master Plan are set forth in beginning on page 7 of Exhibit RR-4, the Rosario Resort Phase 1 Design and Development Standards and Guidelines. Section 5 of Exhibit RR-4 is the Historic Resource Plan which establishes architectural and other design guidelines for retaining the historic character of the resort.

Management Practices Applicable to Alternative B

A-OMP-2: Future development site selection to avoid or minimize view impacts

Status: The areas proposed for redevelopment shown in the 2007 Resort Master plan were located to avoid or minimize view impacts. The site plan for the Resort Core proposed in this PUD application is consistent with the site plan concept set out in the 2007 Resort Master Plan.

A-OMP-3: Future development areas located to minimize impacts to existing views from existing structures.

Status: The areas proposed for redevelopment in the Phase 1 PUD include development areas illustrated in Figure 3.5 of the FEIS and additional areas. The development areas shown in Figure 3.5 were sited horizontally away from existing view corridors. . Other areas proposed for redevelopment not shown on Figure 3.5 but shown on the Alternative B site plan, figure 2-2 in the FEIS which is the site plan approved in the 2007 Resort Master Plan were likewise selected to minimize view impacts. The redevelopment plan proposed in this Phase #1 PUD application is consistent with the Alternative B site plan and designed to minimally impact views from existing structures.

A-OMP-4: Adherence to design guidelines covering building heights, improved architectural quality, selection of compatible building materials, signage, light standards, curbs, outdoor furniture and shielding lighting to prevent visual clutter and light pollution.

Status: Design Guidelines have been developed (see page 7, Exhibit RR-4) and will be implemented so that future development will be aesthetically compatible with the Resorts historic character and water-oriented perspective. The Rosario Resort Historical Resources Plan (Section 5 of Exhibit RR-4 provide additional discussion regarding historic architectural design elements).

A-OMP-5: Careful building massing to maintain compatible scale.

Status: The site redevelopment plan proposed under PUD#1 follows the site plan concept shown in the Resort Master Plan, however the size, and consequently the massing, of the proposed units around the mansion has been reduced to provide a more shoreline cottage type character. Elsewhere in the Resort Core, the proposed massing is consistent with the site plan concept presented in the master plan. Massing is discussed in the Design Guidelines and Landscape Plan on page 7 of Exhibit RR-4. Additional historic design guidelines are included in Section 5 of Exhibit RR-4.

A-OMP-6: Vegetative screening of Resort Boundaries per UDC Requirements.

Status: Buffer screening consistent with this mitigation measures is set forth in the proposed Site Character & Landscape Plan Section 4 of Exhibit RR-4. The site screen and buffer standards contained in Exhibit RR-4 will be implemented as development occurs.

A-OMP-7: Vegetative screening of parking areas per UDC Requirements.

Status: Parking area screening consistent with this mitigation measures is set forth in Section 4 of Exhibit RR-4. The site screen and buffer standards contained in Exhibit RR-4 will be implemented as development occurs.

A-OMP-8: Protection of views of entrance to Moran State Park.

Status: The proposed development plan for the Hilltop area under PUD #1 provides for vegetative visual screening along the roadway to hide the presence of the Hilltop employee housing area. Screen will be accomplished by preserving existing vegetation or by additional planting of native species or by a combination of the two to achieve the desired result of protecting the entrance to Moran State Park for visually intrusive building, structures and activities. Screening on the Hilltop is discussed in Exhibit RR-4.

In addition to the vegetative buffer along Olga Road, and to further protect views of the park entrance arch, the site plan for the employee housing area has been redesigned to move the maintenance buildings further away from the park boundary and park entrance. Vegetative screening along the Olga Road frontage of the site will screen the maintenance facility from motorists traveling on Olga Road to the park. The buffer along Olga road is illustrated and described on page 51 of Exhibit RR-4.

B.7 - Noise (Section 3.7 FEIS)

Mitigation Measures Applicable to Alternative B

N-M-2: Continue Kenmore Air Noise Abatement conversion to quieter turbo aircraft, seaplane dock moved further from sensitive receptors and periodic noise monitoring.

Status: Kenmore Air, which provides seaplane passenger service to Rosario employees an abatement program whereby pilots are instructed no to overfly the resort and take offs and landing are conducted on East Sound. Pilots must taxi into and out of Cascade Bay for take offs and landings. Kenmore Air was recently contacted to determine if this noise abatement program is still in effect. They have responded that it is.

Management Practices Applicable to Alternative B

N-OMP-1: Enforcement of County Noise ordinance (SJCC Chapter 9.06);

Status: The County Noise Ordinance is still in effect and provides an enforcement tool to assure that noise standards are met.

N-OMP-2: Rosario-administered rules on amplified music;

Status: Resort Rules limiting live and/or amplified music performances to end by midnight for indoor performances and by 10:00 PM for outdoor performances are still in effect.

N-OMP-3: Rosario-administered rules on noisy maintenance equipment;

Status: Resort rules limit the use of noise-generating maintenance equipment to normal business hours. This rule is still in effect.

N-OMP-4: Rosario-administered rules at the Hilltop;

Status: Resort rules for the Hilltop employee housing area prohibit loud music and impose an 11:00 pm to 11:00 am “Quiet Time”. These rules are still in effect.

N-OMP-5: Reduce use of private automobiles at Resort:

Status: See N-OMP-9

N-OMP-6: Doubling indoor conference facilities to better contain noise indoors;

Status: This mitigation measure is applicable to Action Alternative A. No expansion of the conference facilities was included in Alternative B, the County approved alternative.

N-OMP-7: Reduced dependence on generators by yachts relying instead on shorepower;

Status: No expansion of the marina is planned at this time. Improvements to the existing marina include improvements to shore power connections. The marina operating rules do not permit the operation of audible generator sets on vessels berthed at the marina.

N-OMP-8: Noise attenuation by landscaped buffers;

Status: Landscape buffers around parking areas, buildings and the perimeter as discussed in the landscape plan Section 4 of Exhibit RR-4 will provide a measure of noise buffering from adjoining uses.

N-OMP-9: Deployment of quieter electric people mover replacing engine-powered vans;

Status: The Resort plans to operate electric golf cart type vehicles to move guests from the check in area, parking areas and their guest units. This will have the effect of reducing automobile noise.

N-OMP-10: Fewer large noisy gatherings;

Status: This noise mitigation measure was the outcome of changing the orientation of the Resort from the convention business model of Action Alternative A to the family oriented vacation model of Action Alternative B. By approving Action Alternative B as the Rosario Master Plan concept the County has implemented the mitigation envisioned by N-OMP-10.

N-OMP-11: Less outdoor noise at Hilltop.

Status: Indoor recreational space will be provided at the Hilltop for employee socializing as identified in the mitigation measure. In addition, the employee rules of conduct (Exhibit RR-11) provide for quiet times at the employee housing facility.

B.8 - Historic and Archeologic Resources (Section 3.8 FEIS)

Mitigation Measures Applicable to Alternative B

HAR-M-7: Programmatic Agreement based on consultation with DAHP;

STATUS: The complete language of this Mitigation Measures reads as follows:

Adverse effects on historic resources could be mitigated through the development of a Historic Resource Management Plan. The plan would include a catalogue of historic resources of the Resort and establish preservation protocols. The plan could include architectural design, massing and scale guidelines for new development in the vicinity of the Mansion to preserve and enhance the historical character of the Resort. The Historic Resource Management Plan should be developed under the guidance of an historic preservation specialist and include consultation with the Department of Archeology and Historic Preservation.

The Rosario Resort Historical Resources Plan, Section 5 of Exhibit RR-4, has been prepared to identify historically significant structures in Rosario and to outline future plans for each.

HAR-M-8: Recovery of archeological data, archeological monitoring of construction activities, and tailoring of mitigation measures developed in consultation with SHPO and tribes;

STATUS: A Cultural Resource Management Plan submitted as Exhibit RR-8 has been completed for the Phase 1 redevelopment proposal. The plan describes the cultural resource setting and identifies site specific measures to mitigate impacts to cultural resources including construction monitoring. The plan includes discovery protocols and was developed in consultation with SHPO and the tribes.

HAR-M-9: Implementation of cultural resources management plan to protect archeological resources.

STATUS: The provisions of the Cultural Resource Management Plan, Exhibit RR-8 referenced above will be implemented during construction and at all other times as recommended by the plan.

Management Practices Applicable to Alternative B

HAR-OMP-3: Adherence to RMP Goal #2 and RMP Objectives 2.1 and 2.2;

The protocols, standards and guidelines in Cultural Resource Management Plan, Exhibit RR-8 and the Historical Resources Plan, Section 5 of Exhibit RR-4 identify the importance of historic and archaeological resource protection. Implementation of these plans will achieve the desired effect of maintaining the historic character and preserving cultural resources.

HAR-OMP-4: Restoration of Moran Mansion in accordance with the Secretary of Interior's Standards;

STATUS: Restoration of the Moran Mansion to the Secretary of the Interior's standards was evaluated and determined to be incompatible with retaining the existing and planned functionality of the Mansion as the centerpiece of a destination resort. The Interior Department standards are weighted toward achieving a high degree of historic accuracy to a time when the structure was being used as the Moran Residence. To bring the residence back to that level of historic accuracy would mean a substantial change in the functionality of the current building.

HAR-OMP-5: Renovation and adaptive reuse of the Boatel;

Status: The Boatel structure is unsound and dilapidated to the extent that it is not suitable for adaptive reuse. It will be removed and a new building of similar design character will be constructed near its current location. See Boatel Discussion in Section 5 of Exhibit RR-4..

HAR-OMP-6: RMP exhibits 4-2, 5-4, 5-5, 5-6 and 7-1;

The full text of this mitigation measure begins on page 3-139 of the FEIS. This mitigation measure points to cultural resource issues addressed by the listed Exhibits in the master plan as providing guidance in addressing those issues. All of the Exhibit titles listed in HAR-OMP-6 relate to historic and culture resources. The Exhibit numbering for some of these is incorrect as explained in the following.

The exhibit labeled as "History Brought to Life" is incorrectly identified as Exhibit 4-2. The Exhibit number for History Brought to Life is 4-1 and is found on page 61 of the RMP. Design and Historic Preservation is incorrectly identified as Exhibit 5-4. The Exhibit number for Design and Historic Preservation is 5-5 and is found on page 95 of the RMP. The SOI's Standards for Rehabilitation is incorrectly identified as Exhibit 5-5. The correct Exhibit number is 5-6 and is found on page 97 of the RMP. The SOI's Standard for Restoration is incorrectly identified as Exhibit 5-6. The correct Exhibit number is Exhibit 5-7 and is found on page 98 of the RMP. Archeologic Procedures, Exhibit 7-1, is found on page 137 of the RMP.

The cultural and historic resources preservation concepts expressed in the exhibits have been taken into account in the preparation of the Cultural Resource Report, Exhibit RR-8 and the Historical Resources

Plan, Section 5 of Exhibit RR-4. The Cultural Resources Report provides a survey of cultural resources on the site and establishes protocols for protecting both known and any newly discovered cultural resources. The Historical Resources Plan provides design standards and guidelines for preserving existing historic resources and architectural recommendation for the design of new structures to maintain the historic architectural character of the resort. The implementation of the standards and recommendation contained in these two resource documents support the cultural and historic preservation intent of the RMP exhibits identified above.

HAR-OMP-7: Inclusion of qualified historic preservation professionals on project design team;

The architectural development team has held discussion with members of the National Park Service and Washington State Department of Archaeology and Historic Preservation; the Historic Resource Plan, Section 5 of Exhibit RR-4 provides for the creation of a Historic Resource Advisory Committee to provide input on historic preservation. The architects for the project are familiar with the Secretary of the Interior's Standards for Restoration. The Resort owners will not be applying for a 20 percent federal historic preservation tax credit, however, historic preservation specialists will be consulted as needed to help harmonize restoration efforts with the need to maintain the resort functionality of the resource.

HAR-OMP-8: Historic compatibility as addressed by RMP section 5.4.1;

STATUS: The program for maintaining Historic Compatibility is set forth in the Rosario Resort Historic Resources Plan Section 5 of Exhibit RR-4.

HAR-OMP-9: Installation of interpretive signage addressing Rosario's history;

Provisions for interpretive signage are included the design and development standards and guideline for the Resort, Exhibit RR-4

HAR-OMP-10: Retention of historic exterior lighting;

Light fixtures will be rebuilt in compliance with current electrical codes.

HAR-OMP-11: Future participation by Rosario in informed design review by independent design review committee;

The Rosario Resort Historic Resources Plan provides for the creation of a Rosario Historic Resources Advisory Committee.

HAR-OMP-12: Application for 20% historic tax credit.

The applicant is not proposing to apply for a 20% historic tax credit.

B.9 - Transportation (Section 3.9 FEIS)

Mitigation Measures Applicable to Alternative B

T-M-1: Short-term construction traffic limited by implementation of good construction practices;

Status: Impacts to traffic movement during times when road improvements are being made will be mitigated as identified above by employing good construction traffic management methods consistent with the standards of the San Juan County Public Works Department.

T-M-2: Development of Transportation Management Plan (TMP) implemented by Transportation Management Coordinator including programs to manage, reduce or divert transportation demand as well as physical improvements to enhance safety such as including signage and surface references.

Status: A Transportation Management Plan will be developed as envisioned by the above mitigation measure to be reviewed and approved before final plat approval.

Management Practices Applicable to Alternative B

T-OMP-1: Consistency with San Juan County Comprehensive Plan and Unified Development Code; Sufficient parking supply and design improvements to provide safe ingress and egress for all, including those with disabilities and screening improvements.

Status: A parking plan is included in the Design and Development Standards and Guidelines Exhibit RR-4.

Section C - Regulatory Consistency

C.1. SJCC 18.90.060 Master Planned Resort Procedures

SJCC 18.90.060.H.3 Planned Unit Development Application.

A PUD shall be approved by the County only if all of the following criteria are met:

a. The proposed activities, developments and uses will not be contrary to the intent or purposes and regulations of this Code or the *Comprehensive Plan*;

The proposal is not contrary to the intent or purposes and regulations of the San Juan County Code or the Comprehensive plan.

Rosario Resort is located on property designated as a Master Planned Resort (MPR) Activity Center. A Resort Master Plan was prepared, as required by county regulations, to describe the project and provide a framework for project control and operation during and after development (see SJCC 18.90.060.C). The county has approved the Rosario Resort Master Plan and in so doing noted that "The Master Plan will control future development and use of the property shown on the Official Map as the Rosario Master Planned Resort." (Section 2, Ordinance 11-2007). The Rosario Resort Master Plan is referenced in Section B Element 2, page 14 of the San Juan County Comprehensive Plan.

As described in Sections A of this exhibit, the Rosario Resort PUD #1 has been prepared to be consistent with the RMP. As described in Section B of this Exhibit, proposed redevelopment under PUD#1 incorporates applicable mitigating measures as identified in the Rosario Resort FEIS. The following discussion in this Section, Section C of Exhibit RR-7, describes how the proposal is consistent with applicable provisions of the San Juan County Code.

b. The proposal is consistent in design, character and appearance with the goals and policies for the MPR land-use designation in which the proposed use is located, and the approved Master Plan;

As identified in the paragraphs above, the Rosario Resort Master Plan as approved provides the control for future development and use of the property in the Rosario MPR.. The redevelopment proposed under PUD #1 substantially conforms to the design, character and appearance concept for the Resort Core area and Hilltop area as set out in the Rosario Resort Master Plan.

Section A of this document, describes how the Phase 1 redevelopment proposal is consistent the RMP. Section A.5 describes how the proposal meets the conditions of approval of the Resort Master Plan as set out in Appendix 1, page 143 of the RMP. Section B above describes how the redevelopment proposal incorporates mitigation measures identified in the Rosario Resort FEIS to minimize environmental impacts and meets the requirements of Conditions of approval #1 and #6. A table showing design guidelines from the RMP and how these are being met is provided on page 5 of the Exhibit RR-4.

c. The proposal meets or exceeds the requirements of SJCC 18.60.190;

The San Juan County Council found that the Rosario Resort Master Plan met or exceeded the requirements of SJCC 18.90.060.H.1 and 18.60.190 (Ordinance 11-2007, pg. 6, paragraph 15.a). As described in this document, the Phase 1 redevelopment proposal is consistent with the Rosario Resort Master Plan. Because the Rosario Resort Master Plan was found to fulfill the requirements of SJCC 18.60.190, projects that are consistent with the master plan fulfill the requirements of SJCC 18.60.190.

d. If the PUD requires land division or a binding site plan, it meets the requirements of Section 18.70.090;

The language of this requirement was found to have a code reference error. The error was identified at the time Roche Harbor PUD #1 was being reviewed by county staff. The basis for the error was described in the Staff Report for Roche Harbor PUD #1 and a corrective measure was applied to harmonize the language with the intent of this provision. The discussion from the May 19, 2003 Staff Report for the Roche Harbor PUD#1 is found on page 14 of 52 in that report and is quoted below.

FINDINGS: An application for a land division in the form of a preliminary subdivision has been submitted for this proposal. The code section referenced in the above requirement applies to binding site plans only and does not provide a suitable standard for the review for a preliminary plat. After considering the language of section 18.90.060D.3.b.iv of the county's Master planned resort procedures, which state that "if the PUD requires a land division or binding site plan, the preliminary and final subdivision requirements at SJCC 18.70.050 and SJCC 18.70.070, or the binding site plan requirements of SJCC 18.70.090, must be met," it is clear that preliminary and final subdivisions are allowed for PUD's in Master Planned Resorts and, if proposed, they must meet the standards of SJCC 18.70.050 and SJCC 18.70.070. For this reason staff concludes that the appropriate review standard for the preliminary plat is SJCC 18.70.050 and that a reference to this section of the UDC was inadvertently omitted from the language of this requirement when the section was adopted.

The Staff report, as written, was adopted by the Hearing Examiner in his decision to approve Roche Harbor PUD#1. We therefore assume that staff's 2003 interpretation of the language of this requirement is the interpretation that will apply to the preliminary plat application for the Rosario Resort PUD #1. .

In that regard, and consistent with how this issue was handled for Roche Harbor Resort, Section C.4 of this Exhibit provides an analysis of how the preliminary plat application meet the requirements of SJCC 18.70.050, specifically section SJCC 18.70.050.F, Criteria for Approval.

e. The proposal identifies and protects environmentally sensitive areas, archaeological and historic resources, and visual and aesthetic resources; and environmental considerations are employed in the design, placement and screening of facilities and amenities;

An Environmental Impact Statement (EIS) was prepared for Rosario Resort Master Plan. The EIS disclosed potential impacts of future development under the master plan and identified a range of mitigation measures that could be employed to minimize the potential for impacts to the environment. Section B of this Consistency Analysis identifies how applicable mitigation measures are addressed by this proposal.

As part of the environmental mitigation program developed for this PUD application, several environmental studies were completed and have been included in this application as exhibits. A Critical Areas report has been completed and included as Exhibit RR-6. A Stormwater management site plan has been completed for both the Resort Core and Hilltop areas and is included in this application as Exhibit RR-5. An Archeological Evaluation which includes a monitoring program has been completed and is included as Exhibit RR-8. Guidelines for preserving the historic character of the resort have been developed and included as the Historic Resources Plan, Section 5 of Exhibit RR-4.

The information in these environmental studies and reports has been used in the design of the project so that the Phase 1 redevelopment of the resort is appropriately sensitive to and protective of the resources listed above.

f. The proposal will not cause significant adverse impacts on the human or natural environments that cannot be mitigated by conditions of approval;

The Rosario Resort Master Plan EIS examined the issue of significant adverse impacts. The conclusion was reached that the redevelopment of the resort as proposed in the master plan would not have a significant adverse impact on the human or natural environment with appropriate mitigation. Approval of the master plan included the approval of twenty six (26) conditions to assure that future resort redevelopment under the master plan would not result in significant adverse impacts.

Section A.5 above describes how the proposed PUD satisfies the conditions of approval of the RMP. Section B above describes how the applicable mitigation measures identified in the EIS are addressed in the project design and will be addressed during the construction phase and after.

g. The appropriate County officials have certified that the proposal will be served by adequate facilities including access, fire protection, water, storm water control, and sewage disposal facilities;

The applicant is submitting studies and other supporting information that shows the project will be adequately served by the facilities listed above. These include the following: The Rosario Resort Redevelopment Design and Development Standards and Guideline, RR-4, which show the proposed fire lines and hydrant locations for the Resort Core (pg. 37) and Hilltop (pg. 52); Exhibit RR-9, the Concurrency Analysis that includes a letter from the Sewer and Water purveyor, Washington Water Service Company (WWSC), describing the terms under which sewer and water service will be provided; and Exhibit RR-5, the Stormwater Report that describes how stormwater runoff will be managed consistent with the state stormwater manual. The applicant understands that all of this documentation is subject to review and approval (certification) by county officials before the PUD can receive approval.

h. The proposal passes all concurrency tests as provided in SJCC 18.60.200;

A Concurrency Analysis was prepared as part of Environmental Review under SEPA for the Rosario Resort Master Plan and included in the Volume II of the EIS as exhibit D.

Exhibit RR-9 Concurrency Analysis includes information that updates the Concurrency Analysis prepared for the Master Plan. The update information includes a letter from the sewer and water

purveyor, Washington Water Service Company, confirming that sewer and water service is available and will be provided in the amount and under the terms outlined in their letter. In addition, the traffic study completed for the Resort Master Plan, which formed the basis for the traffic concurrency analysis in the Rosario Resort EIS was recently revisited by TSI, Inc., the authors of the original study. TSI has provided a letter report on their evaluation of the original study in relationship to current traffic conditions and determined that the findings of the earlier report remain valid. Specifically, the traffic analysis prepared for the Master Plan remains valid and changes in traffic conditions do not warrant additional mitigation. Mitigation measures associated with the master plan should be pursued consistent with the conditions of approval. (see Condition of Approval #16 in subsection A.5 above and Subsection 9 of Section B also above)

i. The location, size, and height of buildings, structures, walls and fences, and screening vegetation for the proposed use, shall not hinder allowable development or use of neighboring properties; and

The location, size and height of proposed structures and the proposed landscape screening in the phase 1 redevelopment proposal is consistent with the conceptual design approved in the RMP. The issue of impacts of the redevelopment program on adjacent users set forth in the Rosario Master Plan was examined as part of the approval process for the plan (Rosario Master Plan Staff Report 1/11/2007, page 24). No significant adverse impacts on surrounding properties were identified in the EIS if redevelopment under future PUD's was consistent with the redevelopment concept outlined in the RMP. With regard to the RMP, the County found that "Improvements and activities are located and designed in such a manner as to avoid or minimize adverse effects of the MPR on surrounding lands and properties". (Paragraph 15.g on page 6 of Ordinance 11-2007)

j. The proposed land uses, activities, and structures comply with applicable development standards of Chapter 18.60 SJCC and performance standards specified in Chapter 18.40 SJCC, and with any required mitigation measures.

The applicant has identified the following sections of Chapters 18.40 and 18.60 of the UDC as the most relevant performance and development standards applicable to the proposal. Each of the identified standards has been addressed below. Because the Rosario Resort Master Plan establishes site specific standards for the redevelopment of the resort property and the RMP was the subject of a lengthy review and approval process leading to adoption of the plan by Ordinance, we have assumed that if a conflict should arise between a provision in the plan and a provision contained in the UDC chapters cited above, that the provision in the plan would prevail unless some unanticipated adverse environmental consequence would result.

UDC standards applicable to this proposal appear to include:

(1). Chapter 18.40 Performance and Use Specific Standards

i. 18.40.110 Commercial Uses – Standards for Site Development

The proposal is located on property designated as an MPR activity center and not on property designated Rural.

Water and sewage disposal have been approved with conditions by the utility purveyor, Washington Water Service Company (see Exhibit RR-9).

Roads serving the property have been evaluated and impact mitigation measures identified (see Exhibit RR-9, Section B.9 of this Exhibit and Section 3.9 of the Rosario Resort Master Plan FEIS).

No use of equipment or material associated with resort operations on the property will be detrimental to surrounding properties.

ii. 18.40.330 Recreational Development

The Rosario redevelopment proposal meets or can meet all of the applicable standards for recreational development set forth in this section. As describe elsewhere in this exhibit, no adverse impacts to surrounding properties are anticipated if the redevelopment activities are consistent with the Resort Master Plan. As described in Exhibit 5, runoff from parking areas and other hard surfaces will be controlled and treated to minimize impacts to receiving waters. No formal playing fields with lights, fencing, backstops, or goals are proposed.

iii. 18.40.370-400 Signs

Signage standards are addressed on page 45 of Exhibit RR-4. Non-exempt signs will comply with the requirements of the county sign standards. On-site directional and informational signage will be designed to harmonize with the historic design theme of the resort.

(2). Chapter 18.40 Development Standards

i. 18.60.020 Water Supplies

Water service for this project is provided by Washington Water Service Company (WWSC). The water system is a Class A system regulated by the Washington State Department of Health. A letter from WWSC describing terms under which water is being provided for this project is included in Exhibit RR-9.

ii.18.60.030 Sewage Disposal

Sewer service for this project is provided by Washington Water Service Company (WWSC). The waste water collection and treatment system is regulated and licensed by the Washington State Department of Ecology and waste water discharge is regulated through a DOE issued NPDES permit. A letter from WWSC describing the terms under which sewer service is being provided to this project is included in Exhibit RR-9.

iii. 18.60.060 Clearing and grading standards

Basic clearing and grading parameters are set out in the Rosario Resort Design Standards Exhibit RR-4. Details of clearing and grading activities will be submitted with construction permit applications. There are no circumstances unique to this site that would prevent the applicant from complying with the clearing and grading standards established in this section of the County UDC.

iv. 18.60.070 Storm Drainage Standards

Stormwater Site Plans have been prepared by a licensed engineer for proposed development in the Resort Core and the Hilltop sites. The plans were prepared consistent with the standards of the state 2005 Stormwater Management Manual.

v. 18.60.100 Roads –Private

All of the roadways within the Resort Core resort are private as are the interior roads in the Hilltop Employee Housing area. The preliminary interior private roadway system design both on the Hilltop and in the Resort Core is consistent with the standards of this section. Private roadway design items not addressed in the preliminary design will be addressed in the final construction drawings and submitted to the county for approval prior to construction.

vi. 18.60.110.Pedestrian Circulation

The proposed pedestrian circulation system is described on page 26 of Exhibit RR-4. The pedestrian walkways within the resort core have been designed consistent with the RMP and this section of the UDC.

vii. 18.60.150 Utility service lines and facilities – General regulations

Utility service lines will be located underground consistent with the provisions of this section of the UDC. The Rosario Resort utility installation standards described on page 44 of Exhibit RR-4 are consistent with the applicable standards set forth in this section of the UDC.

viii. 18.60.170 Lighting

Exterior lighting details consistent with the provisions of this section of the UDC standards will be provided with construction drawings. A general description of how the final lighting plan for each construction project will be designed is provided on page 45 of Exhibit RR-4.

ix. 18.60.190 Master planned resort development

See section A.3 above.

x. 18.60.200 Concurrency

See section A.8 above.

C.2. SJCC 18.80.110H, Criteria for Approval of Substantial Development Permits

a. The proposal is consistent with the policies of the Shoreline Management Act and its implementing regulations, RCW 90.58 and WAC 173-27, as amended;

RCW 90.58.020 articulates the state's policy for shorelines, which is to provide for the management of the shorelines of the state by planning for and fostering all reasonable and appropriate uses.

This policy is designed to insure that development will promote and enhance the public interest while protecting against adverse effects to the public health, the land and its vegetation and wildlife and the waters of the state and their aquatic life. This policy is implemented through locally adopted shoreline programs approved by the Department of Ecology as being in conformance with SMA and Department rules including WAC 173.27.

RCW 90.58.020 enunciates the state policy for use preferences on the shoreline. The policy states that regulatory agencies shall give preference to uses in the following order of preference:

- (1) Recognize and protect the statewide interest over local interest;
- (2) Preserve the natural character of the shoreline;
- (3) Result in long term over short term benefit;
- (4) Protect the resources and ecology of the shoreline;
- (5) Increase public access to publicly owned areas of the shorelines;
- (6) Increase recreational opportunities for the public in the shoreline;
- (7) Provide for any other element as defined in RCW 90.58.100 deemed appropriate or necessary.

With regard to the first three use preferences, Rosario Resort is recognized statewide if not nationally as a place to enjoy the marine shoreline experience of the San Juan Islands in an historic setting. The resort has been in operation for over 50 years. The proposed redevelopment will assure that the resort will continue to provide the long term benefit of public access to the shoreline for the next 50 years.

As discussed in the Critical Areas Report RR-6, the proposal does not adversely impact shoreline resources. The proposal focuses primarily on the redevelopment of the existing long developed shoreline area above the ordinary high water mark (OHWM). No work is proposed below the OHWM.

While there are no publicly owned shorelines in the resort, the resort owned shorelines are open to resort guest and the visiting public. Rosario Resort has provided an opportunity for residents of the state and visitors to the state to enjoy the shoreline of Cascade Bay since well before the adoption of the State Shoreline Management Act in 1971. Because of its proximity to Moran State Park, park visitors have been able to enjoy access to the recreational opportunities of the marine shoreline. The redevelopment proposed for the first phase of resort redevelopment will continue the tradition of providing an opportunity for the public to enjoy this shoreline area and will further a stated goal of the shoreline program.

The end result of the redevelopment program will be to enhance the shoreline recreation experience consistent with state shoreline policies without adversely impacting the resource.

b. The proposal is consistent with the policies and regulations of the Shoreline Master Program in Chapter 18.50 SJCC;

The county shoreline policies are contained in the County's Comprehensive Plan. Consistency with the shoreline policies is covered under item 5 below under consistency with the county comprehensive plan. Consistency with the applicable shoreline regulations for commercial development in the shoreline is covered here.

The shorelines adjacent to the proposal includes the shoreline of Cascade Bay and the shoreline at the base of the rocky bluffs below the hotel all designated by the County's Shoreline Program as a Rural Shoreline above the OHWM and an Aquatic Shoreline below the OHWM. Only portions of the Resort Core area of the Resort lie within the shoreline. The Hilltop property is not within shoreline jurisdiction. Unless otherwise stated, all references to resort property in the following discussion apply to only those portions of the resort that lie within shoreline jurisdiction. The landward shoreline jurisdiction line (200 feet landward of the OHWM) is shown on page 41 of Exhibit RR-4.

The uses proposed on the shoreline of Rosario under this application are resort related commercial uses, including hotel type accommodation, privately owned vacation cottages available for short term rental as hotel units, resort commercial restaurants, outdoor event space, pedestrian walkways, parking, resort recreation facilities including swimming pools and picnic areas. The range of uses and their location with respect shoreline jurisdiction and setback lines is shown in Exhibit RR-4 on page 41.

In addition to resort related commercial uses, there is the added component category of recreational uses that apply to the pathways, viewpoints and other public access features that are a component of the resort but serve the recreational function of providing shoreline access to resort guests and the visiting public.

Much of the area within the shoreline is fully developed and has been since before the State Shoreline Management Act was adopted. Existing development in the shoreline includes, pedestrian paths, driveways and roads, parking areas, resort buildings including the Moran Mansion, resort accommodation structures, a conference center, restaurant and swimming pools.

Redevelopment of the Resort under PUD #1 includes the removal of most of the existing structures and the construction of new buildings and new and upgraded pedestrian paths, parking and driveways, and landscaping.

The proposed redevelopment meets all of the general and specific shoreline regulations of the County Shoreline Master Program (SMP). The redevelopment of the resort in the Rural shoreline area of Cascade Harbor will be accomplished in the context of an existing resort with an approved Resort Master Plan in an area designated as Master Planned Resort.

1. SMP Article II General Regulations

i. SJCC 18.50.050

An Archaeology Report has been prepared describing the archaeological characteristics of the site and establishing discovery protocols and monitor requirements during construction. The report is submitted at Exhibit RR-8

ii. SJCC 18.50.060

Clearing and grading activities are only proposed for those areas where buildings or new roadway systems are proposed, and these areas will be replanted following construction.

iii. SJCC 18.50.070

An environmental impact statement was prepared for the Rosario Resort Master Plan. Potential impacts and associated mitigation measures were identified for all areas of the resort. Section B of this Exhibit describes how the phase 1 redevelopment proposal address each of the mitigation measures applicable to the approved Resort Master Plan.

iv. SJCC 18.50.080

A Critical areas report describing the critical area environment at the resort was prepared for this proposal and submitted as Exhibit RR-6. Section 6.2 of Exhibit RR-6 includes an evaluation of the proposal in relationship to the provisions of SJCC 18.35.025(A)

v. SJCC 18.50.090

As shown on the Parking Diagram on page 35 of Exhibit RR-4, parking areas are located landward of building and away from the shoreline. The parking diagram also shows the pedestrian walkway network and its connection to the parking areas. Buffer landscaping proposed for the parking areas is shown on page 57 of Exhibit RR-4.

A new stormwater management system is planned that will improve water quality of surface water runoff from parking areas and other impervious surfaces. New storm water conveyance outfalls will be located above the ordinary high water mark of Cascade Bay and will be located and constructed to minimize impacts on the shoreline.

vi. SJCC 18.50.100

Public shoreline access is a principle feature of Rosario Resort. The phase 1 redevelopment plan improves on the existing public access infrastructure by upgrading existing pedestrian walkway and adding new ones and creating viewpoints. Additional parking is being provided along the interior roadway for day visitors and others to access the Bow Tie Lagoon and shoreline beyond.

vii. SJCC 18.50.120

Signage within the shoreline and interior to the resort will be installed to provide information, identify buildings and provide direction and will comply with the requirements of Section 18.50.120 SJCC. The signs will be designed to complement the historic design theme of the resort. Signage standards for the redevelopment are included on page 45 of Exhibit RR-4.

viii. SJCC 18.50.130

Vegetation management for the project will consist of restoring areas disturbed by construction and the addition of landscape planting to provide visual buffers and to supplement existing but sparse native vegetation. Section 3 of Exhibit RR-4 provides information on proposed landscaping and includes a tree retention and removal plan.

iv. SJCC 18.50.140

The areas proposed for redevelopment shown in the 2007 Resort Master plan were located to avoid or minimize view impacts. The site plan for the Resort Core proposed in this PUD application is consistent with the site plan concept set out in the 2007 Resort Master Plan in Section 4.2.5 on page 60.

v. SJCC 18.50.150

A new stormwater management plan was prepared for this project in accordance with County Stormwater management regulation and with the 2005 Washington State Stormwater Management Manual. The plan has been submitted as Exhibit RR-5.

Stormwater runoff from the existing resort development is not managed consistent with currently accepted standards for the collection and treatment of stormwater runoff. Redevelopment of the site will result in the installation of a new stormwater management system consistent with currently accepted stormwater collection and treatment best management practices. Water quality of stormwater runoff at the point of discharge is expected to improve with the installation of the new system and thus reduce water quality impacts to marine waters of Cascade Bay.

2. SMP Article III Specific Shoreline Use Regulations

i. SJCC 18.50.220.Commercial Development

A.1 - *Water orientation of the proposed commercial activity*

The proposal is the redevelopment of an existing commercial resort and marina on the shoreline of Cascade Bay. The core commercial area of the Resort identified as the “Resort Core” in the Rosario Resort Master Plan is located almost entirely within 200 feet of the OHWM of Cascade Bay and is therefore subject to the provisions of the County Shoreline Program.

The existing resort is on the site the historic Moran residence completed at its present location around 1909. The Mansion and grounds were opened to the public as a waterfront resort in 1960 and has continuously operated as such since that time. The waterfront location is a principle attraction and allows visitors to arrive by boat as well as car. The shoreline attracts day users in addition to overnight guests. The income from resort operations maintains the facility and supports improvements such as those proposed in the redevelopment plan. The continued operation of a commercial resort at this location assures continue public access to the shoreline by residents of the county and state and visitors from out of state.

The character of a commercial resort on the shoreline of a water body is naturally water oriented and designed to enhance the relationship between resort activities and the shoreline. In that regard, the phase 1 redevelopment plan is designed to improve access to the shoreline and provide opportunity for visitors and guest to interact with shoreline features. Parking and pedestrian paths have been designed to allow visitors and guests easier shoreline access. Recent improvements to the marina have improved access to the shoreline by the boating public. Information signage is planned to describe shoreline features including wildlife to provide the visitors with a deeper insight into the ecology of a marine shoreline.

A.2 - Commercial resorts and campgrounds shall provide adequate access to water areas for their patrons and adequate on-site recreation facilities so that such resorts and campgrounds will not be dependent on nor place undue burdens on public recreational facilities.

The proposed phase 1 redevelopment will perpetuate current public access. Improvements to parking, pedestrian walkways and other shoreline facilities will result in an increase in public access opportunities. The resort provides on-site recreation in the form of walking trails, swimming pools, boating and picnicking and other resort related recreational activities. The proposal will result in enhancements to these facilities including new and upgraded pedestrian way. New outdoor swimming pool and event space for weddings and as an entertainment venue.

A.3 - The draining or filling of water bodies or natural wetlands for commercial development shall not be permitted except as a conditional use.

No draining or filling of water bodies or natural wetlands is proposed.

A.4 - Only those commercial uses which are water-dependent, such as boat fueling stations, shall be permitted to be located over the water.

No over the water uses or development is proposed.

A.5 - All structures shall be set back a safe distance behind the tops of feeder bluffs.

There are no feeder bluffs on the property.

A.6 - Parking areas associated with commercial development shall be subject to the policies and regulations of SJCC 18.50.090, Parking, and SJCC 18.50.340, Transportation Facilities.

Section C.2.b.1.v above discusses parking areas in relationship to the provisions of SJCC 18.50.090. SJCC 18.50.340 applies to transportation facilities. No new transportation facilities are proposed.

The proposal includes the installation of a stormwater system that includes stormwater treatment consistent with the 2005 State Stormwater Manual. The system should be effective in controlling pollution in stormwater runoff from parking areas and since no stormwater treatment is currently provided, the new stormwater system will measurably improve the water quality of stormwater runoff entering the bay.

A.7 - Ports and marinas shall be equipped to contain and clean up oil, gasoline, and other polluting spills.

The proposal does not include new port or marina development.

A.8 - Drainage and surface runoff from commercial areas shall be controlled so that pollutants will not be carried into water bodies.

The applicant is proposing to install a new stormwater management system that provides stormwater treatment consistent with the standards of the 2005 Department of Ecology Stormwater Manual. The new system is described in Exhibit RR-5

A.9 - Signs associated with commercial developments shall comply with the policies and general regulations of SJCC 18.40.370 through SJCC 18.40.400 and SJCC 18.50.120.

Signs associated with the proposed redevelopment will conform to the sign requirements cited above. The applicant understands that building signs and other signs will be reviewed for compliance with the above requirements at the time building permit applications are submitted and the design may need to be modified if not consistent with the requirements of the master program section cited above. Sign standards for this redevelopment proposal are included on page 45 of Exhibit RR-4

A.10 - The process of agricultural and aqua cultural products for sale constitutes commercial or industrial development, as determined by the Administrator. Provisions for the sale of such products constitutes commercial development.

No processing of agricultural or aqua-cultural products for sale is proposed.

ii. SJCC 18.50.320.Recreational Development

A.1 - Recreational areas shall be designed to take optimum advantage of and to enhance the natural character of the shoreline area.

Shoreline recreation is provided by a system of pathways and viewpoints the allow resort guests and the visiting public the opportunity to stroll along the shoreline on a defined system of pathways and to stop along the way at viewpoints to admire the vista. As shown on page 33 of Exhibit RR-4, pathways and viewpoint have been strategically located to provide optimal access to the full extent

of the Cascade Bay frontage of the resort. Viewpoints have been sited to provide views ranging from distant vistas and to views of boating activities in the marina harbor. The landscaping themes along the shoreline pathways shown on page 59 of Exhibit RR4 were selected to enhance the existing changing character of the shoreline as the visitor moves from the more developed shoreline edge near the marina to rocky bluff at Rosario Point.

A.2 - Parking areas associated with shoreline recreational areas must be (a) located inland away from the water and beaches, (b) designed to control surface runoff, (c) prevent the pollution of water bodies, and (d) subject to the provisions of SJCC [18.50.090](#), Parking, and SJCC [18.50.340](#), Transportation facilities. Safe access from parking areas to recreational areas shall be provided by means of walkways or other suitable facilities.

As shown on the Parking Diagram on page 35 of Exhibit RR-4, parking areas are located landward of building and away from the shoreline. The parking diagram also shows the pedestrian walkway network and its connection to the parking areas. Buffer landscaping proposed for the parking areas is shown on page 57 of Exhibit RR-4.

A new stormwater management system is planned that will improve water quality of surface water runoff from parking areas and other impervious surfaces. New storm water conveyance outfalls will be located above the ordinary high water mark of Cascade Bay and will be located and constructed to minimize impacts on the shoreline.

A.3 Land vehicles are prohibited on beaches, dunes, or fragile shoreline areas except as necessary for official maintenance activities for the protection of the public health or safety, or for the launching of boats at permitted marine railways and boat launches.

Even if the beaches were drivable, the resort would not and does not permit driving on the beach.

A.4 Intensive recreational development, including overnight camping areas and recreational vehicle or trailer parks, shall be permitted only where water supply, sewage, and solid waste disposal can be provided to meet public health regulations without adversely affecting the natural resources and features of the area.

The recreational component of the resort, i.e walkways and viewpoints do not qualify as intensive recreational development. The resort guest accommodations and commercial support activities are classified as commercial development under shoreline regulations.

A.5 Drainage and surface runoff from recreational areas shall be controlled so that pollutants will not be carried into water bodies.

Runoff from pedestrian walkways and viewpoints contain minimal amounts of contaminants.

A.6 Recreational facilities which normally require the use of large quantities of chemical fertilizers and herbicides, such as golf courses and playing fields, shall not be located on shoreline areas unless adequate provisions can be made for the protection of water areas from drainage and surface runoff.

The Phase 1 redevelopment plan includes no golf courses or formal playing fields requiring large quantities of chemical fertilizer or pesticides.

A.7 Structures shall be set back a safe distance behind the tops of feeder bluffs.

There are no feeder bluffs on the property.

c. The proposal is consistent with this Chapter (Chapter 18.80 SJCC);

We have prepared and are submitting an application for PUD approval, Shoreline Substantial Development Permit and Conditional use approval and subdivision approval. All of the applications have been prepared consistent with the applicable provisions of Chapter 18.80 SJCC. The applicant will work with the County to assure that the notice requirements are met within the manner and time frame requested by staff.

We have also advertised for and held a public pre-application meeting as required by Condition #7 of the RMP (see Section A.5 above) on February 20, 2015 at Rosario Resort.

d. The proposal is consistent with the applicable sections of this Code (e.g. Chapter 18.60 SJCC);

The entirety of Section C of this Exhibit (RR-7), of which this is a part, is a description of how the proposal is consistent with the applicable sections of the County's Unified Development Code (UDC) Title 18 SJCC.

e. The proposal is consistent with the goals and policies of the Comprehensive Plan;

1. San Juan County Comprehensive Plan in General:

Rosario Resort is located on property designated as a Master Planned Resort (MPR) Activity Center. A Resort Master Plan was prepared, as required by county regulations, to describe the project and provide a framework for project control and operation during and after development (see SJCC 18.90.060.C). The county has approved the Rosario Resort Master Plan and in so doing noted that "The Master Plan will control future development and use of the property shown on the Official Map as the Rosario Master Planned Resort." (Section 2, Ordinance 11-2007). The Rosario Resort Master Plan is referenced in Section B Element 2, page 14 of the San Juan County Comprehensive Plan.

As described in Sections A of this exhibit, Rosario Resort PUD #1 has been prepared to be consistent with the RMP. As described in Section B of this Exhibit, proposed redevelopment under PUD#1 incorporates applicable mitigating measures as identified in the Rosario Resort FEIS. The following discussion in this Section, Section C of Exhibit RR-7, describes how the proposal is consistent with applicable provisions of the San Juan County Code.

2, Comprehensive Plan Section B Element 3 – Shoreline Master Program (Goals and Policies)

Section 3.5.D Commercial Development Purpose

Commercial developments are those involving wholesale and retail trade, services or other business activities complementing shoreline character and development. Examples include hotels, restaurants, shops, offices, commercial fishing facilities, and private or public indoor recreation facilities. The Act establishes preferences for certain types of commercial uses on shorelines and location and development standards are appropriate to protect shoreline resources where commercial development occurs. Uses and activities associated with commercial development which are identified as separate use activities in this program, such as Mineral Extraction, Industrial

Development, Boating Facilities, Transportation Facilities, etc., are subject to use policies for those in addition to the standards for commercial development.

Section 3.5.D (1-6) Commercial Development Policies:

1. Commercial development on the shorelines should consist of uses which are water-oriented and/or uses which will provide an opportunity for substantial numbers of people to enjoy the shorelines. Commercial development in shoreline areas should be encouraged in descending order of preference as follows:

- a. Water-dependent uses;*
- b. Water-related uses;*
- c. Water-enjoyment uses;*

2. Prohibit non-water-oriented commercial uses. A non-water-oriented use may become a water enjoyment use by providing meaningful physical or visual public access to the shoreline. Physical access is preferred if practical.

3. Encourage new commercial developments to locate in those areas where commercial uses already exist.

4. The height and bulk of any proposed commercial structures should be designed, to the extent practical, to accommodate the proposed use and to minimize the obstruction of views from the surrounding area, and consideration should be given to compatibility with the scale and use intensity of surrounding developments.

5. Place parking facilities inland, away from the water's edge and recreational beaches, and where necessary, screen parking facilities to minimize their visual impact on shorelines, and include measures to control surface runoff and prevent pollution of nearby water bodies.

6. In applying conditions to a shoreline permit in order to ensure consistency with this Master Program, recognize that different approaches can accomplish the same purpose and the most expensive is not necessarily the only effective means to obtain compliance.

The proposed Resort redevelopment is considered to be a commercial development under the SMP, however some of the proposed redevelopment improvements fall under the category of recreation development. Those components and their relationship to the shoreline regulations specific to recreational development are described below.

The proposed new guest accommodations while not directly water-dependent, meet the policies of the Comprehensive Plan in 3.5D because these uses will continue to allow the opportunity for substantial numbers of people to enjoy the shorelines.

Because the entire Resort Core is oriented to and on the shoreline of Cascade Bay, it encourages a substantial number of people, both Resort patrons and other visitors, to view and stroll by the shoreline, as well as engage in other recreational and commercial activities in close proximity to the shoreline. The proposed commercial uses will be a water-enjoyment use because they will provide meaningful physical and visual public access to the shoreline.

The new resort related commercial support activities which include new dining facilities, swimming pool, event space coupled with improvements to pedestrian pathway and landscaping that will replace existing similar commercial uses serving hotel guests and visitors supports the policy having new commercial development locate in areas where commercial activity already exists.

As described earlier, the proposed redevelopment has been designed to minimize the obstruction of views from the surrounding areas and to be compatible in scale and use with the intensity of surrounding developments.

The proposed redevelopment is consistent with the notion of locating parking areas away from the shoreline behind building facing the waterfront. All parking areas and areas subject to automobile traffic will be designed to control surface water run-off and prevent pollution from entering Cascade Bay.

f. All conditions specified by the Hearing Examiner to make the proposed development consistent with the Master Program and to mitigate or avoid adverse impacts are attached to the permit.

We assume that County staff will perform this function upon completion of the approval process.

C.3. Criteria for Approval of a Shoreline Conditional Use Permit - SJCC 18.80.110.J.4

SJCC 18.50.220B2 requires commercial structures in the Rural shoreline environment to be setback at least 100 feet from the OHWM unless otherwise provided for by conditional use. In addition, commercial development on a Rural shoreline requires conditional use approval.

A. Commercial Development - Regulations by Environment (SJCC 18.50.220B).

2. Rural. Commercial development which will not significantly alter the character of the area shall be permitted in the rural environment only by conditional use and subject to the policies and regulations contained in this SMP. Such development would include, but not necessarily be limited to, farm produce sales, activities directly related to the commercial fishing industry, small campgrounds, and other low intensity recreational facilities. All other commercial development shall be permitted by conditional use only. Except as provided for in subsection (A)(4) of this section, all commercial structures and facilities shall be set back at least 100 feet from the OHWM unless otherwise provided for by conditional use.

The applicant is requesting a SCUP to allow the phase 1 redevelopment of areas of the resort that lie within the jurisdiction of the County's Shoreline Program. In addition SCUP approval is being requested to reduce shoreline set back from 100 feet to a minimum of 50 feet for certain structures as shown on page 41 of Exhibit RR-4 and a minimum of 22 feet for the eastern most Marina Village West attached vacation unit building and a minimum of 35 feet for the Marina Village West attached vacation unit building to the west of building of the building just described. (see page 18 of Exhibit RR-4).

The setback reductions being requested are consistent with the setbacks proposed in the Rosario Resort Master Plan. The County Council established the setbacks shown in the Master Plan with the understanding that they would be subject to review under the County Shoreline Program for compliance with the conditional use criteria which are listed as follows.

C. Criteria for Approval of Shoreline Conditional Uses

In accordance with SJCC 18.80.110J, uses which are classified or set forth in the Master Program as conditional uses may be authorized by the County provided the applicant can demonstrate all of the following:

1. The proposed use is consistent with the policies of RCW 90.58.020 and the policies of the Master Program;

Consistency with RCW 90.58.020 and the County Shoreline Program are described in Sections C.2.1.a & b above.

2. The proposed use will not interfere with the normal public use of public shorelines;

No public shorelines will be affected by the continuation of commercial uses on the site and setback reduction being requested. The use of the resort owned shoreline by guests and the visiting public will continue under the resort redevelopment plan. Moreover, redeveloped pedestrian ways and new viewpoints proposed under the phase 1 plan will improve shoreline access. The reduced building setback request will not interfere with access to the shoreline. As shown on page 34, shoreline access via the public path system is not affected by the reduced setback request.

3. The proposed use of the site and design of the project is compatible with other permitted uses within the area;

Rosario Resort has been operating as a resort since the 1960's. The phase 1 redevelopment proposal is based on the design concept and guidelines of the Rosario Resort Master Plan. Master Plan approval process included a lengthy public review and a number of public hearings. The issue of compatibility with surrounding uses was evaluated. Redevelopment under the Rosario Resort Master Plan as conditioned and with the implementation of applicable mitigation measures mitigation measures was determined to be compatible with surrounding uses. As described under Section A of this Exhibit, the redevelopment proposed under Phase 1 is in accordance with the Resort Master Plan. The requested setback reductions are sufficiently distant from adjoining uses that they do not affect the compatibility of the resort with other permitted used in the area.

4. The proposed use will cause no unreasonably adverse effects to the shoreline environment in which it is to be located;

As required by county statute, as a preexisting resort in an MPR, The Rosario Resort redevelopment proposal was initially presented to the County as a Resort Master Plan subject to legislative approval by the County Council. Environmental Review under SEPA was accomplished by the preparation of an Environmental Impact Statement (EIS). No significant un-mitigatable environmental impacts were identified for the redevelopment scheme proposed under the Master Plan. The proposal under consideration is to implement Stage 1 of the Rosario Resort redevelopment scheme by obtaining PUD approval. The phase 1 redevelopment of this commercial activity and the reduction in setbacks being requested will be accomplished in accordance with the master plan and with the conditions of approval of the master plan and with the implementation of appropriate mitigation identified in the FEIS for the master plan. As a consequence, the proposal including the setback reduction will cause no unreasonable adverse effects to the shoreline environment. In which it is to be located.

5. The cumulative impacts of additional requests for like actions in the area, or for other locations where similar circumstances exist, shall not produce substantial adverse effects to the shoreline environment. E.g., the total of the conditional uses shall remain consistent with the policies of RCW 90.58.020 and the Master Program; and

Rosario Resort presents a unique set of circumstances that occur at perhaps at only one other location in the County - Roche Harbor Resort. Rosario is located on land zone MPR, the Resort

predates the Shoreline Management Act, the commercial uses proposed and the reduction in setbacks requested under this application are proposed to facilitate the continuation of an existing use confined to a site that is almost entirely within shoreline jurisdiction. The proposed commercial uses are the same as those currently existing. The proposed setback reduction will not result in the encroachment of new development into shoreline areas not already developed with less desirable uses including a gravel parking lot and guest suites in the Bayside Building (1300 bldg in figure 2.7-1 on page 29 of the RMP). With the possible exception of the Roche Harbor Resort which is on a shoreline designated Urban, there are no other existing resort developments where similar circumstances exist. As a consequence, the potential for cumulative impacts from like proposals is small.

6. The public interest will suffer no substantial detrimental effect.

The responses to the previous five criteria together with the fact that the County conducted a thorough and public review of the Resort Master Plan to identify and mitigate potential impacts if the plan were implemented supports a finding that the public interest will suffer no substantial detrimental effects.

C.4 SJCC 18.70.050 F Criteria for Approval (Preliminary Subdivision and Short Subdivision, alterations and revisions) -

A. The application meets the requirements of SJCC 18.70.020 [Application submittal process] and this section [SJCC 18.70.050F], the standards in SJCC 18.70.060 and the applicable standards in Chapters 18.40, 18.50 and 18.60 SJCC; and complies to the policies and requirements of Chapter 58.17 RCW, the Shoreline Management Act (Chapter 90.58 RCW) and the policies in Element 3 of the Comprehensive Plan and the applicable regulations in Chapter 18.50 SJCC (the Shoreline Master Program), the State Environmental Policy Act, and the Comprehensive Plan.

1. SJCC 18.70.020 - Application submittal process

Rosario Signal LLC is submitting a complete application for subdivision approval for the proposed thirteen (13)-lot Plat of Rosario Point as part of the larger application for PUD approval for the Phase 1 redevelopment of Rosario Resort. Included in the PUD application materials are documents specific to the preliminary plat application. Included in the plat application materials is a spreadsheet titled Preliminary Plat Application Submittal Requirements Matrix. The submittal matrix lists the County's subdivision submittal requirements and identifies how each of the submittal requirements is being met in the application.

As mentioned above, the proposed Plat of Rosario Point includes a total of thirteen (13) ranging in size from 0.2 acres to 7.4 acres.

2. SJCC 18.70.060A – Subdivision development standards: General Standards

The previous sections of this Exhibit describe how the Phase 1 redevelopment proposal satisfies the standards of the UDC. The following paragraphs describe how the subdivision proposal meets or can meet the applicable standards of SJCC 18.70.060.

3. SJCC 18.70.060B - Subdivision Design Standards

a. Access to Shorelines and Common Easements.

There currently exists a recreational easement located on proposed lot 7 that benefits owner of several existing subdivisions in the vicinity of the resort including the Plats of Rosario Estates, Rosario Estates 2, Rosario Estates 3, Rosario Palisades, Rosario Shores, and Palisades South. Lots in the proposed Plat of Rosario Point will be provided a similar easement.

b. Clustering.

Lot clustering is not proposed. Rosario Resort is a commercial development. With the exception of the two lots for Cliffhouse residences, the lots being created are for resort related purposes and not for the purpose of creating lots for single family residences. The two Cliffhouse lots are being created from one existing lot made up of the portions of two government lots by dividing the lot down the middle.

c. Conforming to Natural Features and Topography

Among other considerations, the Phase 1 redevelopment plan was designed with the topography and natural features of the site in mind. The plan was created first taking into account the terrain and the lots were then designed to fit the plan layout. As a consequence, the lot layout substantially conforms to the topography and natural and existing man made features of the site including existing roadways.

d. Usable Construction Area.

As noted above, Rosario Resort is a commercial development. With the exception of the two lots being created for the proposed cliffhouse residences there are no single family lots proposed in the proposed Plat of Rosario Point. The lots in Rosario Point were designed after the development plan was completed. As a result each of the lots contains the correct amount of usable construction area for the development proposed on that lot.

e. Division of Lots by Roads.

None of the lots proposed in the plat are themselves divided by existing or propose roads.

f. Buffers and Setbacks.

The lots created by this subdivision are intended to be developed with as proposed in the Rosario PUD#1 plan that this subdivision application accompanies. Buffering and setbacks proposed for for the resort redevelopment under the PUD are identified in the proposed redevelopment guidelines submitted as Exhibit RR-4. The landscape plan Section 4 of Exhibit RR-4 shows buffer areas and describes the buffer landscape themes. Shoreline setbacks are shown on page 41. Density, open space, building footprints and other dimensional requirements of Table 6.1 in SJCC 18.60.050 have been established in the Rosario Resort Master Plan as identified in Table 6.1 for MPRs.

g. Number of Lots;

A total of thirteen (13) lots are proposed in the Plat of Rosario Point. As a result a subdivision rather than a short subdivision application is being submitted.

h. Standards for Agricultural and Forest Resource Lands; Standards for Rural Farm-Forest Districts; Conservation Design Requirements.

The area covered by the preliminary plat is not within any of the above listed areas and therefore this requirement is not applicable to this preliminary plat application.

4. SJCC 18.70.060C-F - Road, Drainage, Health, Fire, and Utility Standards

C. Road and Drainage Standards

1. Roads: Existing and proposed roadways in the resort are private. Roadway widths as shown on the preliminary plat are 30 feet and comply with private roadway width standards shown in Table 6.3 in the UDC for private roads in plats of up to 14 lots. Roadway surfaces will be paved. Upon receipt of preliminary plat approval, final engineering drawings will be prepared to show specific details for comparison with private road design and surfacing requirements and submitted to Public Works for approval prior to construction.

A Stormwater site plan has been prepared submitted as Exhibit RR-5 to show how stormwater runoff from impervious surfaces including roads will be handled.

2. Final plat drawings will need to be submitted as per 18.60.100(D).

3. The applicants understand that private road improvements are the applicants responsibility.

D. Inspection Responsibility

The applicant comply with the road inspection schedule.

E. Health Standards

1. Water: Water service is provided by a utility – Washington Water Service Company. The water system has been approved and licensed by the Washington State Department of Health and is being operated in compliance with their license.

2. Sewer: The site is served by a sewer utility – Washington Water Service Company. The sewage collection and treatment system have been approved by the Washington State Department of Ecology and is operating under a valid NPDES permit issued by DOE

3. Storm Drainage: A stormwater site plan has been prepared for the redevelopment plan in accordance with the provisions of the 2005 state stormwater management plan and county stormwater standards. A Critical Areas report completed for the proposal and submitted as Exhibit RR-6. No unusual potential impacts to the aquifer have been identified. As the Critical Area report states. The applicant will take normal precautions to protect from the potential of impacts to the aquifer.

F. Fire and Utility Standards.

There no unique circumstances of the site that would prevent the project from complying with the fire and utility standards of the UDC. The resort has a system of fire flow water lines that are separate from the potable water system. The lines are fed directly from Cascade Lake. The system is scheduled to be upgraded as part of the redevelopment plan and new hydrants added. Final

engineering drawing for the fire system will be prepared for submittal to Public Works and to Fire authorities prior to construct.

5. Applicable Standards in Chapters 18.40, 18.50, and 18.60 SJCC

The preliminary subdivision proposal is part of the proposed Phase 1 redevelopment of Rosario Resort. An application for PUD approval for the Phase 1 redevelopment of the resort has been submitted. The proposed Plat of Rosario Point is an implementing element of the PUD. Compliance with the applicable standards of the chapters cited above is addressed in section C.1.j above.

6. Policies and Requirements of Chapter 58.17 RCW

County subdivision regulations have been drafted to be in compliance with the policies and requirements of Chapter 58.17. There are no aspects of this subdivision proposal that are so unique as to not be covered by county subdivision regulations. As a consequence, county subdivision regulations are adequate to assure compliance with policies and requirements of Chapter 58.17 RCW.

7. Policies of Element 3 of the Comprehensive Plan; Applicable Regulations of Chapter 18.50 SJCC (the Shoreline Master Program); State Environmental Policy Act; Comprehensive Plan

B. The application satisfactorily addresses the comments of the reviewing authorities and is in the public interest (RCW 58.17.100 and 58.17.110).

This criterium does not apply at this time. The application for preliminary plat approval is just being submitted and has not as yet been reviewed by reviewing authorities and the public has not had an opportunity to comment.

C. Action has been completed on any shoreline permit that is required for subdivision improvements.

The applicant is expecting that The proposed preliminary subdivision will be processed concurrently with a shoreline substantial development permit application and shoreline conditional use permit application. If the project receives approval, it is our understanding that the shoreline permits will be issued at the same time preliminary plat approval is granted and that the review and approval process would harmonize the shoreline permit approval with preliminary plat.

D. The associated planned unit development application, if required, is approved.

The proposed preliminary subdivision is also being processed concurrently with a MPR planned unit development (PUD) application. Following a concurrent public hearing on the PUD, Preliminary Plat, Shoreline substantial development permit and Shoreline Conditional permit before the Hearing Examiner, the Examiner will issue concurrent decisions on the applications.