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December 22, 2014

Mark Otto, Sr. Project Manager
Strandberg Custom Home and Design
PO Box 318
Anacortes, WA 98221

Subject: Rosario Resort Master Plan Validation Study - Traffic

Dear Mr. Otto,

Thank you for asking TSI to provide you and Rosario Resort with an assessment of the validity of the Master Plan and SEPA traffic analysis associated with the Rosario Resort Master Plan. This letter summarizes our understanding of conditions; a summary of findings; and conclusions based on those findings.

Understanding of Conditions
Rosario Resort intends to move forward with implementation of the approved 2005 Rosario Resort Master Plan. As part of that plan, traffic forecasts used 2010 as the forecast year for traffic analysis purposes. Due to the delay in starting work on the Master Plan, San Juan County has asked Rosario Resort to determine if the assumptions, conditions and findings in the 2005 Traffic Impact Analysis remain valid. This review is intended to accomplish that objective.

Approach and Findings
The approach to this work is to identify those characteristics that could have changed since the 2005 Traffic Impact Analysis, check if these conditions have changed, and if there are changes determine if those changes in findings demonstrate a change in the original study conclusions. Based on the approach taken in the 2005 Traffic Impact Analysis, there are several variables that could affect those original findings and conclusions including the following:

- The Master Plan development program - Is the character and/or size of the proposed development consistent with the currently planned Master Plan development?
- The road system - Has the road network serving the site and/or traffic control at intersections changed from those analyzed in the 2005 TIA?

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- The background traffic volume (traffic volume without the Rosario Resort Master Plan development) - Has the volume on the road network leading to and from the site changed from background volumes assumed in the 2005 TIA?
- Trip generation and distribution forecasts - have mode split, trip generation, or directional distribution characteristics changed from those assumed in the 2005 TIA?

Master Plan Development Program - The 2005 Traffic Impact Analysis assumed the development program outlined in Table 1 below. Based on my conversation with you and, in turn, your communication with the Rosario Resort Manager, TSI understands the development program outlined below will remains consistent with their long term plans. As long as the development program retains similar type and quantity of uses, the trip generation will also remain about the same.

Table 1 – Resort Land Use

Land Use	Existing	Proposed	Net Change
Hotel	128 rooms	81 rooms	-47 rooms
Restaurant	120 seats	160 seats	40 seats
Cocktail Lounge	65 person	65 person	0 person
Conference Center	5,000 sqft	1,000 sqft	-4,000 sqft
Support Services	28,000 sqft	28,000 sqft	0 sqft
Recreational Facilities	3,000 sqft	12,000 sqft	9,000 sqft
Condominium and Cottage (Fractional Ownership)	0 units	73 units	73 units
Condominium and Cottage (Whole Ownership)	3 units	51 units	48 units
Second Homes	0 units	3 units	3 units
Marina	34 slips	165 slips	131 slips
Cascade Harbor Inn	50 rooms	98 rooms	48 rooms
Employee Housing	20 units	60 units	40 units
Boat Launch	1 ramp	1 ramp	0 ramps

Note: Recreational facilities encompasses the proposed expanded Spa and Fitness Center.

All sizes associated with each land use are best estimates and are subject to slight change along the various phases of development.

Road System - Based on a recent visit to Orcas Island and discussion with San Juan County staff, the primary road network linking the Washington State Ferry Terminal to the Rosario Resort site remains essentially the same with no major geometric or traffic control changes along the Orcas-Olga Road. If there are no major changes in the geometric or traffic control

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conditions along the primary route leading to and from Rosario Resort, then the maximum capacity of the roadway is not forecasted to change.

Background Traffic Volumes - Traffic volumes along the Orcas-Olga Road used to evaluate the road capacity leading to and from the Rosario Resort. To evaluate potential changes in traffic volume, a comparison between the 2010 forecast of conditions and current 2012/2013 traffic volumes was prepared. In San Juan County, staff use the average annual daily traffic volume (AADT) as the volume for evaluating Transportation Concurrency and level of service. This comparison is presented in Table 2 below.

Table 2. Traffic Volume Comparison

Location	2010 AADT Forecast[1]	2012/2013 AADT[2]
Orcas Road (0.75)	2409	1944
Orcas Road (3.92)	2599	2142
Orcas Road (6.93)	3419	2900
Orcas Road (7.00)	5842	3400
Olga Road (9.45)	2443	2900
Olga Road (11.50)	3332	2150
Rosario Road (0.10)	1145	677[3]

1. 2005 Traffic Impact Analysis, TSI
2. San Juan County Public Works
3. 2010, San Juan County Public Works

This comparison shows that AADT volumes at all locations except one are lower than the forecasted 2010 traffic volume forecast to be present without the Rosario Resort expansion. In the one case where volumes are higher, the capacity of the roadway is still in access of the observed volumes. The anticipated difference in volumes is likely due to the general volume reduction observed since 2009 in the state of Washington. This is likely more obvious on the San Juan Islands which are more dependent on discretionary recreational visits.

Based on this review, the original forecast of level of service is substantially more conservative than would actually exist today. This means that if this analysis were performed today, forecasted impacts would be substantially less than those forecasted by the 2005 Traffic Impact Analysis.

Trip Generation and Distribution Forecasts –The Rosario Resort development program is expected to remain about the same as it was forecast in 2005. A review of trip generation characteristics for resort types uses and activities has not changed from statistics used in the original Traffic Impact Study. Further, since the road network on Orcas Island has

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not changed, the directional distribution and travel assignment is not forecasted to change.

Safety - As identified in the 2005 Traffic Impact Analysis, crash statistics near the hilltop site and along Rosario Road warranted study and traffic operations improvements to improve safety. Discussion with San Juan County staff indicate there have not been a significant change in incident frequency and possibly there has been a small decline. Such a decline may be due to the decline in traffic volume and activity during the recent economic recession. Despite this traffic volume decline, the road and intersection geometric conditions contributing to the originally observed and potential safety concerns remain. Therefore, TSI believes the mitigation requiring study of conditions near the hilltop site and traffic operations improvements along Rosario Road remain valid and should be pursued consistent with the conditions of approval for the Master Plan.

Summary of Findings and Conclusions

The above outlined comparison of conditions and assumptions used in the 2005 Traffic Impact Analysis for the Rosario Resort Master Plan appear to either remain the same or reflect a conservative forecast. In traffic impact analysis terms, "conservative" means that the original 2005 traffic forecasts and impacts may have been slightly overestimated. This finding is based on the fact that several conditions have either not changed or are less than those conditions forecast in the 2005 traffic analysis including the following:

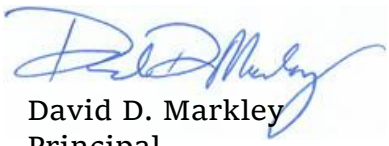
- *The development program Rosario Resort remains essentially the same* as the full development of as assumed in the 2005 traffic forecast.
- *The road network and parking systems are unchanged* from those used as the foundation for the 2005 traffic forecast.
- *The 2012/2013 volumes are substantially less than the forecasted 2010 volumes* suggesting that background traffic conditions have not materialized.
- *Trip generation and distribution characteristics remain unchanged* because the road network and character of the proposed resort remain similar to those originally observed.
- *Safety conditions remain the same* due to the geometric road conditions so the mitigation conditioned at the time of Mater Plan approval remain valid.

Thus, TSI concludes that traffic analysis prepared as part of the original Master Plan remain valid. Changes in traffic conditions do not warrant additional mitigation. The mitigation measures associated the Master Plan should be pursued consistent with the Conditions of Approval.

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I trust this comparative review you and Rosario Resort management with a clear understanding of the traffic elements associated with the proposed Master Plan. If you or County staff have any question regarding the findings and conclusions developed in this review, I encourage you to contact me at your earliest convenience.

Sincerely,
Transportation Solutions, Inc.



David D. Markley
Principal