

## POULSBO DISTRIBUTION SCHEDULE

**ORDINANCE NO. 2025-16**

**SUBJECT: Approving Release of Concomitant Agreement**

### CONFORM AS TO DATES & SIGNATURES

- ☒ Filed with the City Clerk: 10/02/2025
- ☒ Passed by the City Council: 10/15/2025
- ☒ Signature of Mayor
- ☒ Signature of City Clerk
- ☒ Publication: 10/20/2025
- ☒ Effective: 10/25/2025
- ☐ Recorded: \_\_\_\_\_

### DISTRIBUTED COPIES AS FOLLOWS:

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Kati Diehl

Deputy City Clerk

10/16/2025

Date

## **ORDINANCE NO. 2025-16**

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, ADOPTING FINDINGS AND CONCLUSIONS; APPROVING THE TERHUNE PROPERTY REZONE CONCOMITANT AGREEMENT AND AMENDMENT RELEASE, PLANNING FILE P-09-11-25-01; AUTHORIZING THE MAYOR TO EXECUTE AND RECORD AN INSTRUMENT RELEASING THE CONCOMITANT AGREEMENT; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

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**WHEREAS**, property located east of the 4<sup>th</sup> Avenue and Torval Canyon Road commonly known as Viking's Crest Condominiums and vacant property at the north end of 4<sup>th</sup> Avenue owned by Housing Kitsap, together known as Terhune Property was rezoned from Residential 1 to Residential Multifamily in 1976 by the passage of City of Poulsbo Ordinance No. 76-22 ("Terhune Rezone"); and

**WHEREAS**, the Terhune Rezone was subject to a concomitant agreement which imposed certain conditions on development of the property and the Terhune Property "Concomitant Zoning Agreement for Rezone" was recorded against the property under Kitsap County Auditor File Number 1156692 and an "Amendment to Concomitant Agreement for Rezone" was recorded against the property under Kitsap County Auditor File Number 8107010105, collectively the "Concomitant Agreement"; and

**WHEREAS**, a portion of the property was developed under the Concomitant Agreement was sold to the Viking's Crest Condominium owners as development occurred; and

**WHEREAS**, the property is currently designated Residential High (15-22 units/ac) on the City's Comprehensive Plan Map and zoned Residential High (15-22 units/ac) on the City's Zoning Map; and

**WHEREAS**, concomitant agreements are considered a contract between the property owner and the City, are recorded to the property and are identified in a title report; and

**WHEREAS**, Housing Kitsap wishes to divest itself of the property, and to provide a new owner clear title, has applied for a release of the concomitant agreement, and Viking's Crest, a fully developed community, wish to clear title; and

**WHEREAS**, pursuant to PMC 19.40.060, the Poulsbo City Council held a public hearing on the proposed release on October 15, 2025 and, after considering all testimony presented at the hearing, determined to grant the application and release the concomitant agreement and amendment, now, therefore,

**THE CITY COUNCIL OF THE CITY OF POULSBO, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1. Findings and conclusions adopted.** The findings and conclusions set forth in the staff report on Planning File P-09-11-25-01 dated October 2, 2025 are hereby adopted by the Poulsbo City Council as support for the actions taken by this ordinance. Further, the Poulsbo City Council finds that:

1. Development of the site is subject to current development regulations and comprehensive plan goals and policies.
2. Adequate public/private services are available to support development of the site.
3. Development would not unreasonably impact nearby property development which has relied upon the covenant commitments.

**Section 2. Release.** The application filed by Housing Kitsap seeking release of the Terhune Property concomitant agreement recorded under Kitsap County Auditor's File No.

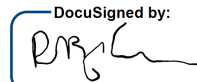
1156692 on January 19, 1977 and amendment recorded under Kitsap County Auditor's File No. 8107010105 on July 1, 1981 is hereby granted. Upon recording of the instrument referred to in Section 3 of this ordinance, the concomitant agreement will be released and will no longer govern development of the property, and future redevelopment or new development will be governed by the City's adopted development regulations.

**Section 3.** **Mayor's authority.** The Mayor is hereby authorized and directed to execute an instrument in a form approved by the City Attorney releasing the concomitant agreement recorded under Kitsap County Auditor's File No 1156692 and 8107010105. The Mayor or her designee is also authorized to provide for the recording of said instrument at the expense of the applicant.

**Section 4.** **Severability.** If any section, sentence, clause or phrase of this ordinance or any code section adopted or amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance or any code section adopted or amended hereby.

**Section 5.** **Effective Date.** This ordinance shall take effect and be in full force five (5) days after publication of the attached summary, which is hereby approved.

APPROVED:


DocuSigned by:  
  
77AA4B38C18A4BA...

MAYOR REBECCA ERICKSON

ATTEST/AUTHENTICATED:

Signed by:  
  
CITY CLERK RHIANNON K. FERNANDEZ

APPROVED AS TO FORM:

Signed by:  
BY:   
CITY ATTORNEY EMILY ROMANENKO

FILED WITH THE CITY CLERK: 10/02/2025  
PASSED BY THE CITY COUNCIL: 10/15/2025  
PUBLISHED: 10/20/2025  
EFFECTIVE DATE: 10/25/2025  
ORDINANCE NO. 2025-16

SUMMARY OF ORDINANCE NO. 2025-16  
of the City of Poulsbo, Washington

On October 15, 2025, the City Council of the City of Poulsbo, Washington, approved Ordinance No. 2025-16, the main point of which may be summarized by its title as follows:

AN ORDINANCE OF THE CITY OF POULSBO, WASHINGTON, ADOPTING FINDINGS AND CONCLUSIONS; APPROVING THE TERHUNE PROPERTY REZONE CONCOMITANT AGREEMENT AND AMENDMENT RELEASE, PLANNING FILE P-09-11-25-01; AUTHORIZING THE MAYOR TO EXECUTE AND RECORD AN INSTRUMENT RELEASING THE CONCOMITANT AGREEMENT; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this ordinance will be mailed upon request.

DATED this 15<sup>th</sup> day of October, 2025.

Signed by:   
D21DA14DCC754A8...  
CITY CLERK, RHIANNON K. FERNANDEZ, CMC



# STAFF REPORT

## Planning and Economic Development Department

200 NE Moe Street | Poulsbo, Washington 98370

(360) 394-9748 | fax (360) 697-8269

www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

## Concomitant Agreement Release Request Kitsap Housing and Viking's Crest Condominiums

**To:** Poulsbo City Council  
**From:** Edie Berghoff, Senior Planner  
**Date:** October 2, 2025  
**Subject:** Housing Kitsap and Viking's Crest Concomitant Agreement Release Request, Type V Permit

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Planning and Economic Development (PED) staff respectfully recommends approval of the Housing Kitsap and Viking's Crest Concomitant Agreement Release, Planning File P-09-11-25-01.

### ACTION:

The City Council shall hereby (approve) (approve with modifications) (deny) the Housing Kitsap and Viking's Crest Concomitant Agreement Release, Planning File P-09-11-25-01. In support of a decision to approve the release, City Council shall adopt an ordinance approving the concomitant agreement release, adopting the staff report's findings and conclusions.

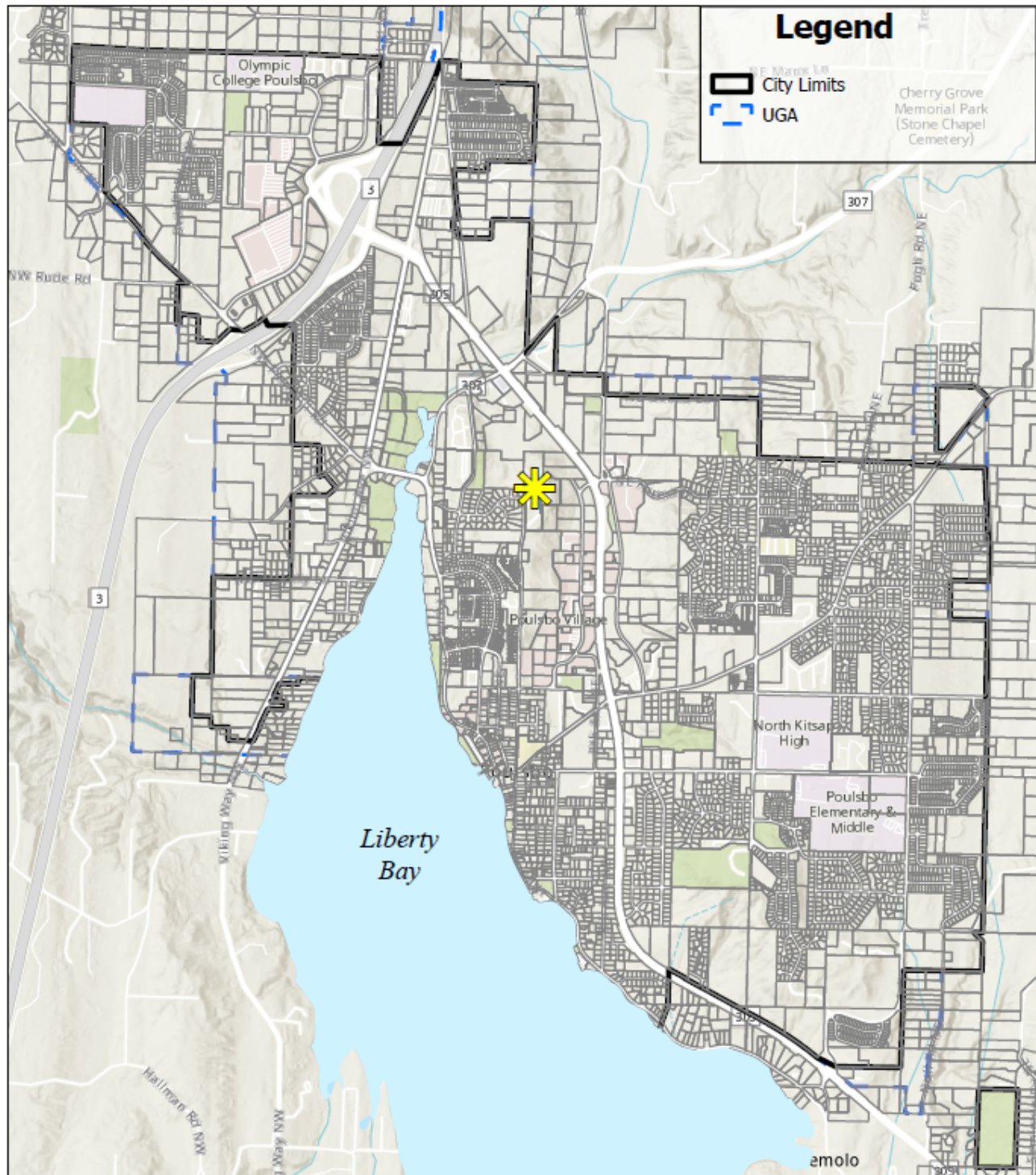
### CONTENTS:

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Page 4	Comprehensive Plan and Zoning Map
Page 5	Staff Report
Page 12	Staff Comments and Recommendations

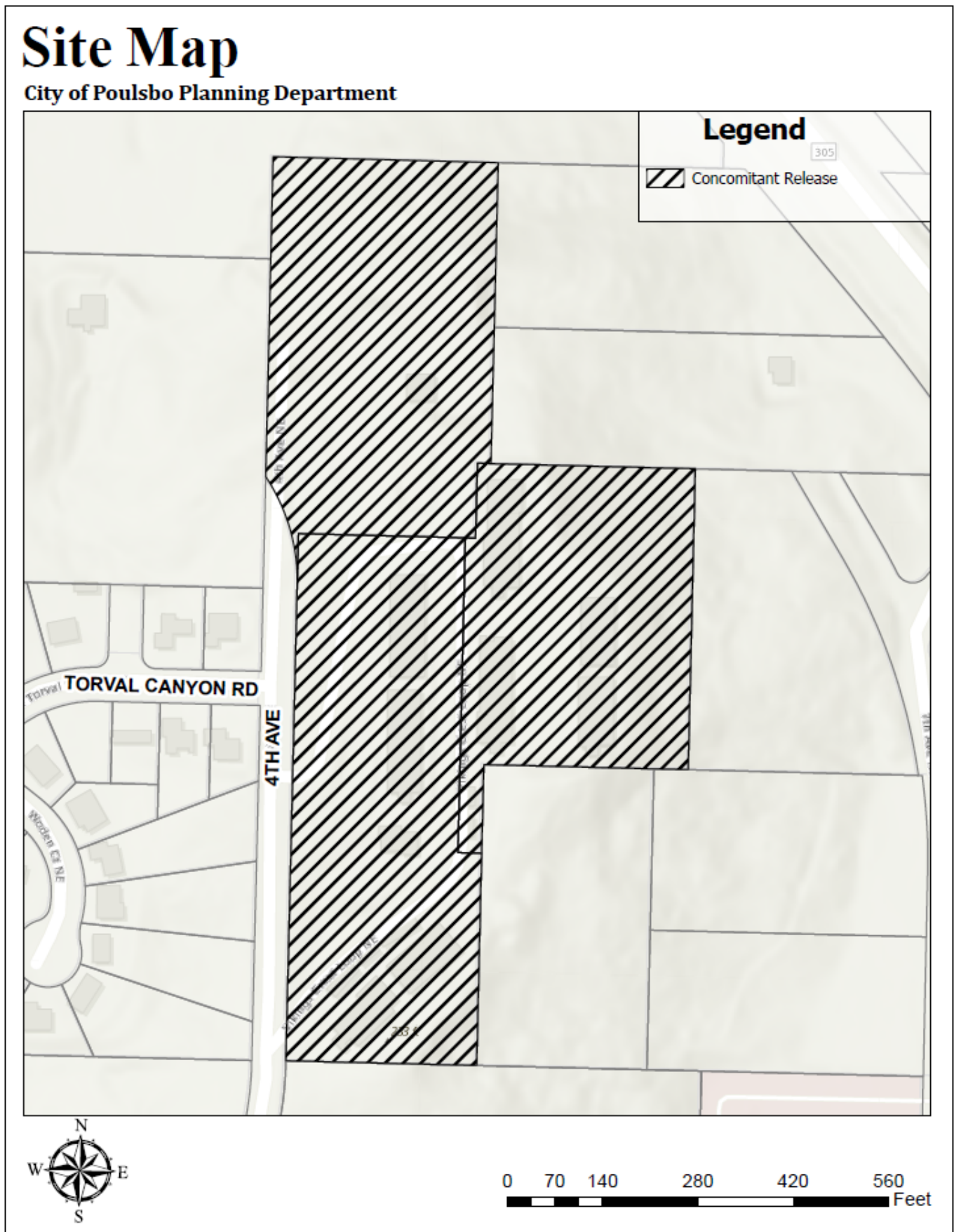


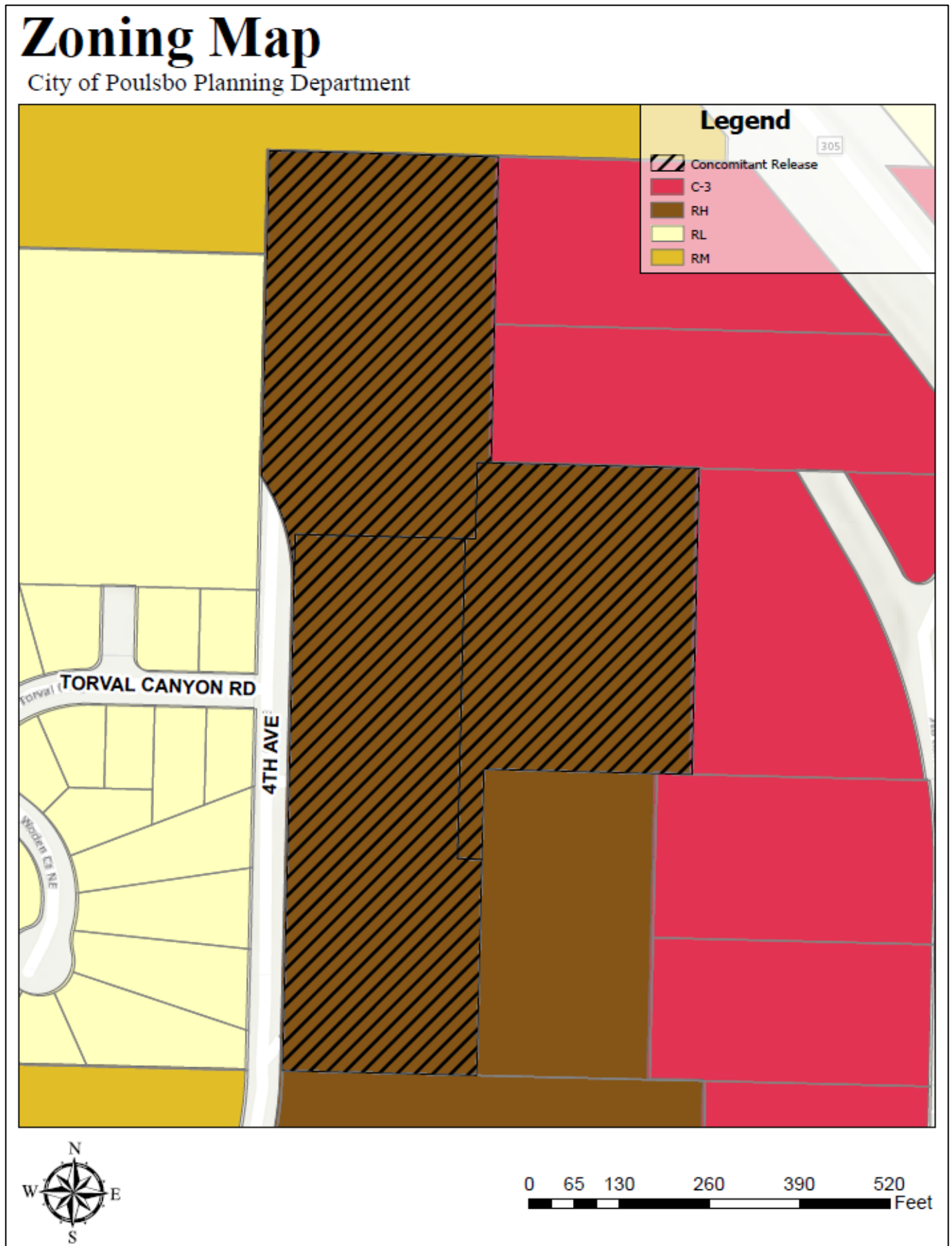
# Vicinity Map

City of Poulsbo Planning Department









# **TERHUNE PROPERTY REZONE CONCOMITANT AGREEMENT AND AMENDMENT RELEASE REQUEST PLANNING FILE P-09-11-25-01**

## **I. GENERAL INFORMATION**

### **Applicant and Owner Name and Address:**

Housing Kitsap | 2244 NW Bucklin Hill Road | Silverdale, WA 98383

Vikings Crest Owners Association | c/o Owners Association President | PO Box 364 | Gig Harbor, WA 98335

### **Agent Name and Address:**

Dean Nail | Housing Kitsap | 2244 NW Bucklin Hill Road | Silverdale, WA 98383

**Land Use Review:** Concomitant Agreement Release | Type V

**Description of Proposal:** This application is solely a request to release a concomitant agreement and agreement amendment, commonly referred to as the Terhune Property Rezone. It is not a development proposal. No specific development is being reviewed or approved through this request. Any future development of the property would require a separate land use permit application, which would include its own public notice and review process.

The original concomitant agreement authorized development of 172 attached residential units in 12 buildings, along with associated site improvements, across three properties. Of this, 120 units in 8 buildings were constructed on two of the properties in a configuration consistent with the site plan approved in the concomitant agreement addendum. Concomitant agreements are recorded against the property title. For reference, the Terhune Property Rezone was approved and recorded in 1976 under Auditor File No. 1156692, with an addendum approved and recorded in 1981 under Auditor File No. 8107010105. A request to release a concomitant agreement is processed as a Type V permit, which requires a public hearing before the City Council.

### **Location:**

20026, 20050, 20097, 20145 and 20183 Vikings Crest Loop NE | 8052-000-000-0000

20141, 20156, 20161 and 20198 Vikings Crest Loop NE | 8064-000-000-0006

No address | 142601-2-026-2005

### **Legal Description:**

*Property 8052-000-000-0000.* COMMON AREA, VIKING'S CREST PHASE I ACCORDING TO THE CONDOMINIUM RECORDED IN VOLUME 5 OF CONDOMINIUMS, PAGE 45 RECORDS OF KITSAP COUNTY, WASHINGTON, BEING AN AMENDMENT OF VOLUME 3 OF CONDOMINIUMS, PAGE 92, VOLUME 3 OF CONDOMINIUMS, PAGE 119 AND VOLUME 4 OF CONDOMINIUMS, PAGE 137 ALL RECORDS OF KITSAP COUNTY, WASHINGTON; SITUATE IN KITSAP COUNTY, WASHINGTON.

*Property 8064-000-000-0006.* COMMON AREA, VIKING'S CREST ALL PHASES ACCORDING TO THE CONDOMINIUM RECORDED IN VOLUME 6, PAGE 63, RECORDS OF KITSAP COUNTY, WASHINGTON BEING AN AMENDMENT OF VOLUME 5 OF CONDOMINIUMS, PAGE 207 RECORDS OF KITSAP COUNTY, WASHINGTON, BEING AN AMENDMENT OF VOLUME 4 OF CONDOMINIUMS, PAGE 122 AND VOLUME 4 OF CONDOMINIUMS, PAGE 139 ALL RECORDS OF KITSAP COUNTY, WASHINGTON.

*Property 142601-2-026-2005.* THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, SECTION 14, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; EXCEPT THAT PORTION CONVEYED TO THE CITY OF POULSBORO FOR 4TH AVENUE NORTHEAST BY DEED RECORDED UNDER AUDITOR'S FILE NO. 8211030127; EXCEPT VIKING'S CREST PHASE I, A CONDOMINIUM, RECORDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 45, 46 AND 47, AND AMENDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 69, 70 AND 71, VOLUME 5 OF CONDOMINIUMS, PAGES 117, 118 AND 119, VOLUME 5 OF CONDOMINIUMS, PAGES 207, 208 AND 209, VOLUME 6 OF CONDOMINIUMS, PAGES 20, 21 AND 22, AND VOLUME 6 OF CONDOMINIUMS, PAGES 63 THROUGH 67, INCLUSIVE, ACCORDING TO THE DECLARATION RECORDED UNDER AUDITOR'S FILE NO. 9410060203, AND AMENDMENTS THERETO, IF ANY, IN KITSAP COUNTY, WASHINGTON; EXCEPT VIKING'S CREST PHASE IV, A CONDOMINIUM, RECORDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 207, 208 AND 209, AND AMENDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 45, 46 AND 47, VOLUME 5 OF CONDOMINIUMS PAGES 69, 70 AND 71, VOLUME 5 OF CONDOMINIUMS, PAGES 117, 118 AND 119, VOLUME 6 OF CONDOMINIUMS, PAGES 20, 21 AND 22, AND VOLUME 6 OF CONDOMINIUMS, PAGES 63 THROUGH 67, INCLUSIVE, ACCORDING TO THE DECLARATION RECORDED UNDER AUDITOR'S FILE NO. 9410060203, AND AMENDMENTS THERETO, IF ANY, IN KITSAP COUNTY, WASHINGTON; EXCEPT VIKING'S CREST



PHASE V, A CONDOMINIUM, RECORDED IN VOLUME 6 OF CONDOMINIUMS, PAGES 20, 21 AND 22, AND AMENDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 45, 46 AND 47, VOLUME 5 OF CONDOMINIUMS, PAGES 69, 70 AND 71, VOLUME 5 OF CONDOMINIUMS, PAGES 117, 118 AND 119, VOLUME 5 OF CONDOMINIUMS, PAGES 207, 208 AND 209, VOLUME 6 OF CONDOMINIUMS, PAGES 20, 21 AND 22, AND VOLUME 6 OF CONDOMINIUMS, PAGES 63 THROUGH 67, INCLUSIVE, ACCORDING TO THE DECLARATION RECORDED UNDER AUDITOR'S FILE NO. 9410060203, AND AMENDMENTS THERETO, IF ANY, IN KITSAP COUNTY, WASHINGTON; AND EXCEPT VIKING'S CREST PHASE VI AND VII, A CONDOMINIUM, RECORDED IN VOLUME 6 OF CONDOMINIUMS, PAGES 63 THROUGH 67, INCLUSIVE, AND AMENDED IN VOLUME 5 OF CONDOMINIUMS, PAGES 45, 46 AND 47, VOLUME 5 OF CONDOMINIUMS, PAGES 69, 70 AND 71, VOLUME 5 OF CONDOMINIUMS, PAGES 117, 118 AND 119, VOLUME 5 OF CONDOMINIUMS, PAGES 207, 208 AND 209, AND VOLUME 6 OF CONDOMINIUMS, PAGES 20, 21 AND 22, ACCORDING TO THE DECLARATION RECORDED UNDER AUDITOR'S FILE NO. 9410060203, AND AMENDMENTS THERETO, IF ANY, IN KITSAP COUNTY, WASHINGTON.

**Comprehensive Plan and Zoning Designation:**

Site: Residential High  
North: Residential Medium, C3 Commercial  
South: Residential Medium  
East: C3 Commercial  
West: Residential Low

**Existing Land Use:**

Site: Condominium, Vacant  
North: SR305 Wetland Mitigation, Vacant  
South: Apartments, Vacant  
East: Vacant  
West: Single Family Residential, Vacant

**Site Features:** The site consists of three properties totaling 13 acres. The south 4.62-acre and east 3.47-acre parcels are developed with eight three-story residential buildings containing 120 dwelling units, along with carports, a clubhouse, a pool, and private access roadways. These parcels also provide access and utility easements to an additional property located to the southeast. The eastern and northeastern portions of the site are heavily wooded and slope steeply in those directions. The north 4.11-acre parcel is partially developed with a gravel parking area, a tennis court, a connecting path, and several building foundations, with vegetation that includes mature trees and dense blackberry thickets. The terrain slopes steeply north and west of the gravel parking area before leveling into a more gradual slope, and an area of fill is present in the northwest portion of the property. All improvements on the site date from the 1970s and 1980s.

**Aerial Photograph of Subject Site:**



## II. APPLICABLE REVIEW CRITERIA

The proposal is subject to PMC 18.210.030, Release of Concomitant Agreements and PMC 19.40.060, Type V Permit Applications. SEPA is also required.

## III. HISTORY OF TERHUNE PROPERTY REZONE CONCOMITANT AGREEMENT

Note the site is referred to as the Terhune Property Rezone, Olympic Manor, Olympic Manor Rezone, Olympic Manor Apartments, Olympic Swim and Tennis Club, and Olympic Crest Development in city records.

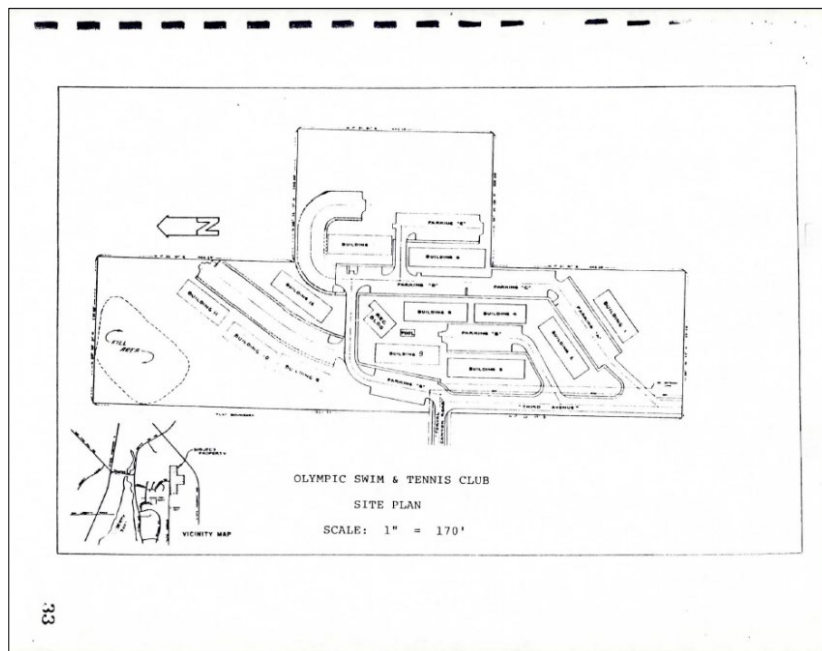
### **Property History:**

- The properties were annexed to the City under Ordinance 72-9, effective July 1, 1972.
- Ordinance 72-10, effective September 19, 1972, corrects the legal description.
- Zoning was not identified with annexation.
- Zoning of the properties is assigned as R1 (Residential Single Family) with adoption of a new Zoning Ordinance and map, effective December 30, 1974.

### **Concomitant Agreement and Site Plan History:**

#### 1976 – Original Rezone and Concomitant Agreement

- Developer Robert Terhune filed a request to rezone and develop the ~13-acre Olympic Manor Apartments site (Planning File 06-13-76-1). Ralph Erickson identified as property owner.
- December 1, 1976: City Council approved Ordinance 76-22 rezoning from R-1 to RM (Residential Multi-Family) with an accompanying concomitant agreement and site plan.
- Agreement limited development to 172 dwelling units with associated improvements; recorded under Auditor File No. 1156692 (Exhibit A).
- Ordinance 76-22 became effective December 26, 1976 (Exhibit B).
- Planning Department records commonly refer to the project as the *Terhune Property Rezone*.
- Approval was for a single development phase; tennis court location not identified.



Above: The 1976 approval for a single development phase. Tennis court's location not identified.

#### Rezone Reversion Clause (1974 & 1977 Zoning Ordinances)

- If no action is taken on a rezone within 15 months, the land may revert to its previous zoning classification.

- ### 1979 – Petition to Rescind

- 1979 – Revised Site Plan

- [illegible]

1981 – Site Plan Amendment and Concomitant Agreement Revision

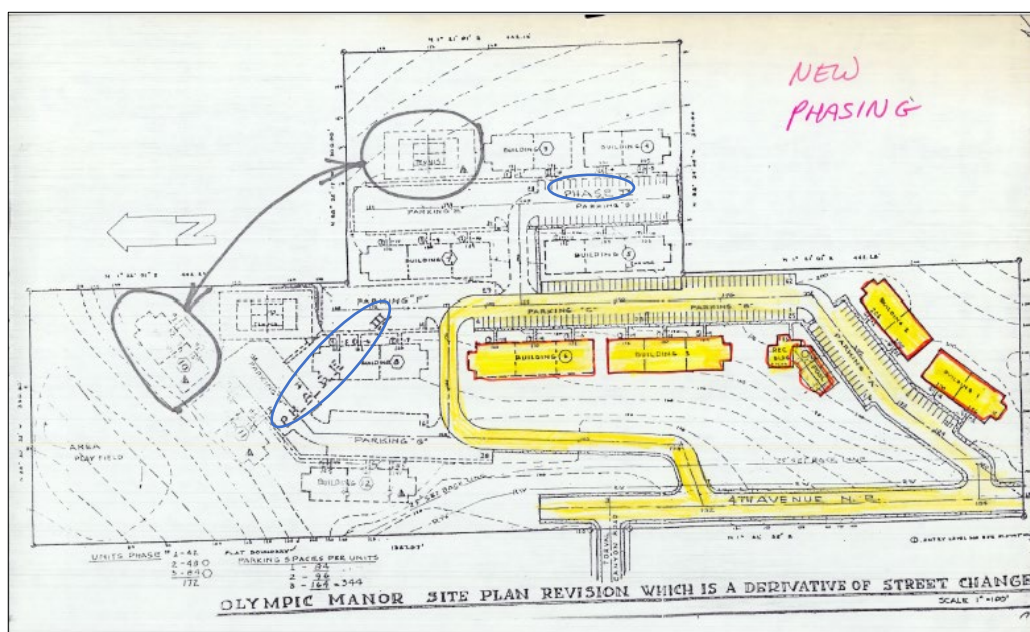
- Page 8



- Changes included relocating buildings, adjusting access to avoid retaining walls, and relocating a tennis court.
- March 1981: Public hearing held; approval recommended with concomitant agreement amendment.
- The 1981 site plan identified three phases:
  - Phase I: buildings and roadway (yellow).
  - Phase II: buildings and tennis court at the east extension.
  - Phase III: northern portion of the site.
- July 1981: Amended agreement recorded under Auditor File No. 8107010105 (Exhibit C). Amendment confirmed unit cap at 172 and identified the new developer. Agreement is silent regarding tennis courts.

#### 1981 – Second Review of Potential Rezone Reversion

- Late 1981: Planning Commission voted to initiate rezone proceedings back to R-1; public hearing scheduled for December.
- Property owner submitted revised plans and made required minor changes.
- Planning Commission moved to withdraw rezone action for the Olympic Swim & Tennis Club property.



Above: The 1981 site plan revision identifies three development phases. Phase I buildings and roadway are yellow. Phase II buildings and tennis court are the upper extension. Phase III is left portion of drawing.

#### **Tennis Court History:**

##### 1976 – Original Approval

- Olympic Swim & Tennis Club site plan shows 12 residential buildings, a recreation building with pool, and parking areas. No tennis courts identified.

##### 1979 – Site Plan Revision

- Buildings shifted east and south to accommodate proposed 3rd Avenue extension (later 4th Avenue).
- Site plan retains 12 residential buildings, recreation building with pool, and parking areas, and adds two tennis courts.
- Development identified in two phases:
  - Phase I: six residential buildings, recreation building with pool, and parking.
  - Phase II: six residential buildings, two tennis courts, and parking.
- City records indicate a tennis court was to be completed prior to Phase II building permit issuance, but the amended concomitant agreement did not require tennis court construction before residential units.

- During construction, the tennis court was relocated from the east parcel (now Viking's Crest) to the north parcel (now Housing Kitsap). A narrow dirt trail along the utility main connects the Viking's Crest gravel parking area to the tennis court.

#### 1981 – Revised Site Plan

- Adjusted to accommodate City's 4th Avenue extension.
- Development divided into three phases:
  - Phase I: four residential buildings, recreation building with pool, and parking.
  - Phase II: four residential buildings, one tennis court, and parking.
  - Phase III: four residential buildings, one tennis court, and parking.

#### 1983 – Construction Issues

- Records indicate runoff and slide problems occurred during construction.

#### 1985 – Viking's Crest Phase 2

- Recorded layout aligned with Prisk's 1981 revised site plan.
- It shows eight residential buildings, recreation building with pool, and one tennis court.

#### 1986–1989 – Landslide Litigation

- Records indicate a slide during tennis court construction, resulting in years-long litigation.

#### 1994–1995 – Amended Recordings

- Viking's Crest amended and restated plats recorded.
- Eight residential buildings and recreation building with pool, but no tennis courts and no Phase III.
- 1990s recordings supersede earlier 1980s records.

#### Recent Conditions

- A small, enclosed grass area adjacent to the tennis court has been installed and maintained.
- This park area is not identified in City records.

#### **Current Development:**

Viking's Crest Condominium has been developed generally in accordance with Phases I and II of the 1981 site plan and amended concomitant agreement. To date, 120 of the 172 approved units have been constructed, along with the clubhouse and pool, one of the two planned tennis courts, and associated parking areas. A narrow trail extends from the gravel parking area down to the tennis court. Any additional development on the site remains subject to the site plan approved under the concomitant agreement.

#### **Request:**

Housing Kitsap, the owner of the north property, has stated that it is not interested in completing the approved site plan, noting that the concomitant agreement is outdated and no longer consistent with current land use regulations (Exhibit D). Viking's Crest has provided a letter (Exhibit E) confirming that the eight buildings with 120 units, clubhouse and pool, improved parking area, and gravel parking area are all recognized in condominium ownership documents, while the tennis court is not identified as part of the condominium. The property owners are therefore seeking to release the concomitant agreement and addendum in order to clear the property title, ensure each ownership has autonomy in planning and future development, formally acknowledge that a tennis court and park area are not amenities of Viking's Crest Condominium, and allow for completion of a boundary line adjustment between the two ownerships.

#### **IV. PMC 19.40.060.H RELEASE OF CONCOMITANT AGREEMENTS – DECISION CRITERIA**

Pursuant to PMC 19.40.060.H Release of Concomitant Agreements – Decision Criteria, to approve the release or amendment of a concomitant agreement, the City Council shall be required to make the following findings:

1. **Development of the site would be consistent with current development regulations and comprehensive plan goals and policies.**



**Zoning Regulations:** Any future redevelopment or new development on the site will be required to comply with the Poulsbo Comprehensive Plan and all applicable provisions of the Poulsbo Municipal Code. This includes, but is not limited to, Title 16 (Environment – SEPA and Critical Areas), Title 17 (Subdivisions), Title 18 (Zoning Ordinance), and Title 19 (Project Permit Application Procedures). Compliance with these requirements will be evaluated through the City’s land use development permit review process. Development amenities were not required in code during the development period. The community building with pool are consistent with Viking’s Crest ownership records providing amenities for the site.

**Comprehensive Plan:** The Comprehensive Plan includes policies that support releasing the concomitant agreement and enabling additional residential uses consistent with current zoning ordinance regulations. Relevant supportive policies include:

- Policy LU-1.1: Achieve appropriate urban residential densities within the city and urban growth areas in order to practically plan for and accommodate the population allocation of 5,646 new residents and 1,977 new housing units by the year 2044. The allocation is not a commitment that the market will deliver growth during the defined planning period.
- Policy LU-3.3: Recognize Poulsbo’s attractive natural setting and the importance topography, ridges and critical areas have in creating a patchwork of open space that contributes to the City’s “small town” appearance, while maintaining its ability to accommodate population growth. As it is within the City’s legal authority, encourage the retention of forested areas through critical area protection or other appropriate regulatory authority.
- Policy LU-3.7: Support the development and/or redevelopment of underutilized lands that supports infill within all zoning districts.
- Policy LU-4.4: Consider infill and redevelopment of underutilized properties within residential areas, where new development would maintain the height and bulk that characterizes the area, while allowing a wider range of housing types, such as, but not limited to, cottage developments, townhomes, duplexes and triplexes. Development shall be reviewed for compatibility with existing and established neighborhoods.
- Policy LU-4.6: To the extent possible, new residential development amenities, such as walkways, paths, or bike paths, should be connected and open to the general public.
- Policy HS-1.6: Encourage new multi-family housing in a variety of types and sizes in areas designated for such use in the Land Use Chapter and Map.

**Staff recommend the following finding for criteria #1:** *The site has been partially developed and used in accordance with the Terhune Property Rezone Concomitant Agreement, originally approved in 1976 and amended in 1981, but it is not expected that development under the agreement will be completed. Upon release of the agreement, any future redevelopment or new development will be required to align with the City’s Comprehensive Plan goals and policies, as well as all adopted zoning and development regulations. The community building with pool are consistent with Viking’s Crest ownership records providing amenities for the site.*

**2. Adequate public/private services are available to support development of the site.**

The site includes stormwater, sanitary sewer, water and garbage service. The undeveloped property includes stormwater and sanitary sewer main. However, improvements would likely be required for all services with any redevelopment or new development.

**Staff recommend the following finding for criteria #2:** *Adequate public and private services are available that supports the current development of the site and any proposed future development. Site plan review or subdivision of any proposed development will ensure adequate services are available or upgraded to support any new or redevelopment.*

**3. Development would not unreasonably impact nearby property development which has relied upon the covenant commitments.**

The site has had a residential land use designation for a significant period of time: single-family residential prior to rezone in 1976; residential multiple family between 1976 to 1995; and in 1994/5 under the City’s first GMA comprehensive plan and zoning ordinance, the site was designated and zoned

high density residential. The concomitant agreement approved 172 dwelling units in 12 buildings across the three properties, however 120 dwelling units in 8 buildings were constructed on two of the properties. Additional building foundations and tennis court were constructed on the third property.

Due to its zoning and historic use, residential use and development is anticipated for this site. Redevelopment or new development will be under the residential (RH) zoning and subject to all site design, building design, and use requirements of Title 18.

*Staff recommend the following finding for criteria #3: The site has had a residential land use designation and use for a significant period of time. The release of the concomitant agreement will not unreasonably impact nearby property development because any future redevelopment or new development will be required to comply with current City regulations, including zoning, development standards and building design requirements. This will ensure any proposed development is consistent with existing and planned development.*

V. **PMC CHAPTER 16.20 CRITICAL AREAS ORDINANCE**

The site is identified on the City’s critical area maps as potential geologic hazard areas. Any redevelopment or development on the site will be subject to critical area regulations.

VI. **PMC CHAPTER 16.04 STATE ENVIRONMENTAL POLICY ACT (SEPA)**

A SEPA Environmental Checklist was prepared and reviewed for the proposal. A Notice of Application with Optional DNS and Public Hearing Notice was issued on September 23, 2025 (Exhibit F), with the public comment period open through October 7, 2025. All public comments received will be compiled, included in the project file (Exhibit G), and provided to the City Council for consideration at the workshop scheduled for October 8, 2025. A Determination of Non-Significance (DNS) is anticipated to be issued on October 8, 2025, under the Optional DNS process, and will also be included in the file (Exhibit H).

VII. **TITLE 19 PROJECT PERMIT PROCEDURES**

Concomitant Agreement Release is a Type V process, and the City Council is the review authority for the release of legislatively enacted valid concomitant agreements for rezones.

Review Step	Date
Application Submittal	September 9, 2025
Counter Complete	September 11, 2025
Technically Complete	September 15, 2025
Notice of Application w/Optional DNS + Public Hearing Notice	September 23, 2025
Staff Report Issued	October 2, 2025
Notice of Application/DNS Comment Period Over	October 7, 2025
SEPA Threshold Issued	TBD
Notice of Decision and SEPA Threshold Issued	TBD

VIII. **STAFF COMMENT AND RECOMMENDATIONS**

**Comments:**

The proposal is consistent with the decision criteria for release of concomitant agreements. Staff respectfully recommends the City Council conclude that the Terhune Property Concomitant Agreement Release meets the applicable criteria and will not be detrimental to the public health, safety or welfare of the City.

Tennis court, while identified in city files as part of the Olympic Swim & Tennis development, is not in ownership of Viking’s Crest Condominiums. Staff respectfully recommends the City Council conclude that the tennis court is not required to be associated with the condominium development and is released with release of the Terhune Property Concomitant Agreement Release.

**Recommendation:**

Staff respectfully recommends the City Council approve the Terhune Property Concomitant Agreement Release, Planning File P-09-11-25-01. In support of this decision, City Council shall adopt an ordinance approving the concomitant agreement release and adopting the staff report’s findings and conclusions.

**IX. EXHIBITS**

- A. 1976 Concomitant Agreement for Rezone
- B. Terhune Property Rezone Ordinance No. 76-22
- C. 1981 Amendment to Concomitant Agreement for Rezone
- D. Concomitant Agreement Release Application Form
- E. Viking's Crest HOA letter in support of application
- F. [Notice of Application with optional DNS and Notice of Public Hearing + Noticing Materials](#)
- G. [Environmental Checklist reviewed](#)
- H. *SEPA Threshold Determination (Pending)*

Exhibit A

# CONCOMITANT AGREEMENT FOR REZONE

THE CITY OF POULSBO, a municipal corporation, located within Kitsap County, hereinafter called "City", and ROBERT TERHUNE, hereinafter called "Owner", agree as follows:

1. The consideration for this agreement is the adoption by the City of Ordinance No. 76-22 which rezones the property described in Exhibit A attached hereto and by this reference incorporated herein as if fully set forth at this point from R-1 to R-M for construction of the "Olympic Manor Apartments" as recommended by the Poulsbo Planning Commission pursuant to application No. 6-13-76-1, which application and all supporting documents contained therein is incorporated within this agreement as the supporting data for the action taken by the City. In the event any conflict between the terms of this agreement and the representations or conclusions contained in the application and documents of application No. 6-13-76-1 should arise, the terms of this agreement shall be controlling.

2. Upon execution of this agreement by the Owner, the City agrees to adopt Ordinance No. 76-22 which rezones the property described in Exhibit A to this agreement from zoning classification R-1 to R-M as requested in application 6-13-76-1.

3. Owner agrees as follows:

A. Development of the Olympic Manor Apartments will be in substantial compliance with the site plan prepared by Entranco Engineers and filed with the City as part of this application, and which is identified as Revision No. 10/27/76, and that the total dwelling units to be constructed on the premises will not exceed 172 units.

B. The North extension of Third Avenue, along the West boundary of the development as shown on the site plan referred to in subparagraph A above, shall be constructed to

City standards for a 40 foot residential access street and upon completion shall be dedicated to the City.

C. Because of the elevation of the properties the water supply system for domestic as well as emergency pumping for fire pressure will be installed in accordance with the directions of the City Engineer and the City will not assume responsibility for operation or maintenance of any of the on-site system which shall be the sole and complete responsibility of the Owner.

D. All costs of bringing water and sewer to the site and hook-up incidental thereto, shall be borne by the Owner and upon acceptance by the City Engineer the off-site water and sewer lines shall be deeded to the City without any reservation of a delayed benefit charge.

E. All utilities including telephone, electric power and TV cable shall be underground on the property.

F. Unless specifically approved by the City Engineer, no open ditches or ponds will be permitted within the development. On site surface drainage will carry water into street gutters then into catch basins and finally into the City storm drain system located at the boundary of the property and roof drainage will be carried by pipe directly into the storm sewer.

G. All buildings will be placed on conventional foundations which will enclose the perimeter of the building.

H. The access street from the Hewitt Addition shall match the construction of the Hewitt addition street into the property for at least as far as the first intersection.

I. All development shall meet the engineering and construction standards for subdivisions as set forth in City Ordinance No. 76-7, unless an exception therefrom is granted by the City Engineer.

REEL 1057A 184



J. All roads, streets, parking facilities, park and recreation facilities, indoor recreation facilities and other general use facilities shall be completed before occupancy of dwelling units, unless specific approval to occupy pending completion is authorized by the City Engineer.

4. The environmental impact statement submitted by Owners has been reviewed and circulated as required by law and the City has reviewed the comments received thereon and after consideration of the environmental statement has determined that the application for rezone should be approved subject to the conditions set forth in this agreement.

5. This agreement shall be filed for record with the Kitsap County Auditor and shall be a covenant running with the land and binding upon the Owners, and their successors or assigns.

6. It is agreed that damages are an inadequate remedy and that the City may seek equitable relief to enforce any provision of this agreement. In the event legal proceedings to enforce this agreement are commenced, the Owners agree that the City shall be entitled to recover, in addition to any other relief provided by the Court, its reasonable costs and attorneys fees incurred in such action.

DATED this 1<sup>st</sup> day of December, 1976.

CITY OF POULSBORO

By Blyde L. Ballard  
MAYOR

ATTEST:

W. H. Heinemann  
City Clerk

APPROVED AS TO FORM:

Robert W. McKisson  
Robert W. McKisson  
of Beresford, Booth, Lehne, McKisson &  
Baronsky  
City Attorneys

Robert Terhune  
Robert Terhune

Filed for Record Jan 19 1977 at 8:50 AM  
Request of City of Poulsbo  
TED WRIGHT, Kitsap County Auditor

REC-105FR 185

1-00

City of Boulder  
9800 98  
Boulder, CO 80501

1156692 ✓  
Consent Agreement for Regone  
105

1. All roads, streets, parking facilities, recreation facilities, indoor recreation facilities, general use facilities shall be completed before occupancy of dwelling units, unless specific approval to occupy pending completion is authorized by the City Engineer.

2. The environmental impact statement submitted by Owners has been reviewed and circulated as required by law and the City has reviewed the comments received thereon and after consideration of the environmental statement has determined that the application for reasons should be approved subject to the conditions set forth in this agreement.

3. This agreement shall be filed for record with the Kitsap County Auditor and shall be a covenant running with the land and binding upon the Owners, and their successors or assigns.

4. It is agreed that damages are an inadequate remedy and that the City may seek equitable relief to enforce any provision of this agreement. In the event legal proceedings to enforce this agreement are commenced, the Owners agree that the City shall be entitled to recover, in addition to any other relief provided by the Court, its reasonable costs and attorneys fees incurred in such action.

DATED this 1<sup>st</sup> day of December, 1976.

CITY OF BOULDER

By [Signature]  
Mayor

ATTEST:

[Signature]  
City Clerk

APPROVED AS TO FORM:

[Signature]  
Robert W. McKisson  
of Beresford, Booth, Lehner, McKisson &  
Baronsky  
City Attorneys

[Signature]  
Robert Terhune



Exhibit B

## ORDINANCE NO. 76-22

AN ORDINANCE REZONING CERTAIN PROPERTY OWNED BY  
ROBERT TERHUNE FROM CLASSIFICATION R-1 TO R-M

WHEREAS, an application for rezone was filed with the Poulsbo Planning Commission requesting rezone of the real property described in this Ordinance and the Planning Commission proceeded to process said application under Application No. 6-13-76-1 and have recommended approval of the rezone to the City Council, and the City Council having considered the environmental impact statement and comments received thereon, and having determined that it is in the best interest of the residents of the City of Poulsbo to approve the request for rezone, subject to certain conditions attached thereto;

NOW, THEREFORE, the City Council of the City of Poulsbo do ordain as follows:

1. The following described real property be and hereby is rezoned and reclassified from R-1 to R-M:

The West half of the West half of the Southeast quarter of the Northwest quarter, and the West 300 feet of the South half of the North two-thirds of the East three-quarters of the Southeast quarter of the Northwest quarter, Section 14, Township 26 North, Range 1 East, W.M.;

TOGETHER WITH a non-exclusive easement for ingress and egress over and across a 50 foot wide right-of-way with 25 feet lying on either side of the following described center line; commencing at the West quarter corner of Section 14, Township 26 North, Range 1 East, W.M.;

Thence South 88°35'40" East a distance of 235.58 feet to a point on the Easterly margin of existing Olympic Avenue; thence North 13°36'54" East a distance of 248.46 feet along said Easterly margin to the true point of beginning; thence South 88°33'04" East a distance of 354.40 feet; thence through a curve to the left, the center of which bears North 1°26'56" East a distance of 218.00 feet, with a central angle of 52°30'00", a center-line length of 199.75 feet and a tangent of 107.51 feet; thence North 38°56'56" East a distance of 173.90 feet; thence through a curve to the right, the center of which bears South 51°03'04" East a distance of 210.00 feet, with a central angle of 52°30'00" a center line length of 192.42 feet and a tangent of 103.56 feet; thence South 88°33'04" East a distance of 237.74 feet to a point, said point being the terminus of the above described 50 foot right-of-way; situate in Kitsap County, Washington;

Commonly known as the site for the "Olympic Manor Apartments" east of Third Avenue at Torval Canyon Road.

2. The rezone provided by this ordinance is subject to a Concomitant Agreement executed by the parties thereto which agreement shall be filed with the Kitsap County Auditor before this ordinance shall become effective.



3. This ordinance shall become effective five (5) days after publication or posting in the manner provided by law and filing of the Concomitant Agreement with the Kitsap County Auditor.

PASSED by the Council of the City of Poulsbo and approved by its Mayor this 1st day of December, 1976.

Elyse C. Ballard  
MAYOR

ATTEST:

W. Heinemann  
CLERK-TREASURER

APPROVED AS TO FORM:

Robert W. McKisson  
ROBERT W. MCKISSON  
Of Beresford, Booth, Lehne,  
McKisson & Baronsky  
City Attorneys

POULSBO 98370  
POULSBO 98370

Exhibit C

FILED FOR RECORD  
REQ. OF *City of Poulsbo*  
1981 JUL -1 AM 10:39  
SHEARRIL HUFF  
KITSAP COUNTY AUDITOR  
DEPUTY *[Signature]*

Relating to Amendment to  
Concomitant Agreement  
for Rezone - Ord. 76-22  
Page 1 of 2

AMENDMENT TO CONCOMITANT AGREEMENT FOR REZONE

1. PARTIES: The parties to this agreement are the CITY OF POULSBO, a municipal corporation and GARY R. PRISK.

2. CONSIDERATION: The consideration for this agreement is the approval by the City of Poulsbo Planning Commission and the City Council of a revised site plan submitted by the successor in interest to Robert Terhune for the project previously known as "Olympic Manor Apartments" which approval is conditioned upon the terms set forth in this amending agreement. The Planning Commission and City Council have determined that the revisions previously made are not substantial and that additional public hearings are not required.

3. AGREEMENT: That certain Concomitant Agreement for Rezone dated December 1, 1976 and filed for record on January 19, 1977 under Kitsap County Auditor's Receiving No. 1156692, Reel No. 105, Frame 183, 184 and 185 is hereby deemed amended to read as follows:

1. The definition of "owner" is amended to read "Gary R. Prisk", his successors or assigns.
2. The project defined in the Concomitant Agreement dated December 1, 1976 is deemed amended to read "Olympic Swim and Tennis Club - a Condominium".
3. Paragraph 3A of the Concomitant Agreement dated December 1, 1976 is deemed amended to read as follows:

3.A Owner agrees as follows:

- A. Development of the "Olympic Swim and Tennis Club - a Condominium" will be in substantial compliance with the site plan prepared by Robert J. Peterson and filed with the City as a part of Application No. 2-11-81-1 and which is identified as Revision No. 2-11-81, and that the total dwelling units to be constructed on the premises will not exceed 172 units.

8107010105

REEL 232M 895

Relating to Amendment to  
Concomitant Agreement  
for Rezone - Ord. 76-22  
Page 2 of 2

4. All other provisions of the Concomitant Agreement for Rezone dated December 1, 1976 shall remain in full force and effect and this amending agreement shall be filed for record with the Kitsap County Auditor.

DATED this 1<sup>st</sup> day of JUNE, 1981.

CITY OF POULSBORO

BY: Clyde C. Caldart  
CLYDE CALDART, MAYOR

ATTEST:

Bernard Parker

CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
ROBERT W. MCKISSON  
OF MCKISSON AND SARGENT, INC., P.S.  
CITY ATTORNEYS

Gary R. Prisk  
GARY R. PRISK

24 June 1981  
DATE SIGNED

8107010105

REC-23278 896

Exhibit D



# CONCOMITANT AGREEMENT RELEASE

**Planning and Economic Development Department**

200 NE Moe Street | Poulsbo, Washington 98370

(360) 394-9748 | fax (360) 697-8269

www.cityofpoulsbo.com | plan&econ@cityofpoulsbo.com

*Concomitant Agreement* is an agreement recorded against the title of a parcel of land under which a property owner binds the property to certain terms and conditions in exchange for development approval. For a detailed description of the review process, refer to PMC Chapter 19.40.060.

PROJECT:	
Project Name: Housing Kitsap and Vikings Crest BLA	
Project Address: 4th Ave NE Poulsbo WA 98337	
Tax Assessor's ID: 42601-2-026-2005	
Legal Description (attached sheet if necessary):	
Comp Plan Designation: 2024	Zoning Designation: Residential High
Size of Property (Sq. Ft.): 179,032	
AGENT:	
Name:	Phone:
Address:	
Email:	
APPLICANT (IF DIFFERENT THEN APPLICANT):	
Name:	Phone:
Address:	
Email:	
OWNER:	
Name: Housing Kitsap	Phone: 360-509-4491
Address: 2244 NW Bucklin Hill RD Silverdale WA 98383	
Email: naild@housingkitsap.org	
CONCOMITANT AGREEMENT:	
Name of Concomitant Agreement to be released: Aduitors File 1156692 1976 Terhune rezone	
Concomitant Agreement File No. or Ordinance No.: amended File 8107010105	
Reason for Requesting Concomitant Agreement Release: Concomitant Agreement has been amended in 1994 and not relative	



Development that was <b>approved</b> through the Concomitant Agreement:			
Residential: Not determined in the agreement	Sq. Ft.	Office/Service:	Sq. Ft.
Retail:	Sq. Ft.	Industrial:	Sq. Ft.
Stormwater Detention/Other Utilities: Critical Areas:	Sq. Ft.	Open Space/Recreation:	Sq. Ft.
Streets:	Sq. Ft.	Landscaping:	Sq. Ft.
Other:	Sq. Ft.	Parking Lots:	Sq. Ft.
	Sq. Ft.	Number of parking spaces:	
Development <b>that has taken place</b> to date:			
Residential: Site developed in 1980's (unknown)	Sq. Ft.	Office/Service:	Sq. Ft.
Retail:	Sq. Ft.	Industrial:	Sq. Ft.
Stormwater Detention/Other Utilities: Critical Areas:	Sq. Ft.	Open Space/Recreation:	Sq. Ft.
Streets:	Sq. Ft.	Landscaping:	Sq. Ft.
Other:	Sq. Ft.	Parking Lots:	Sq. Ft.
	Sq. Ft.	Number of parking spaces:	
<b>APPLICATION SUBMITTAL REQUIREMENTS:</b>			
<p><b>The PED Department is now accepting all applications electronically.</b> Please submit your application online <a href="#">here</a> or email the materials to <a href="mailto:plan&amp;econ@cityofpoulsbo.com">plan&amp;econ@cityofpoulsbo.com</a>.</p>			
<input type="checkbox"/> <b>Application Fees and Deposits</b>			
<input type="checkbox"/> Project Narrative indicating how the Concomitant Agreement release and the post-decision status of the property will meet the following requirements, per <a href="#">PMC 19.40.060 H</a> : <ol style="list-style-type: none"> <li>1. Development of the site would be consistent with current development regulations and comprehensive plan goals and policies.</li> <li>2. Adequate public/private services are available to support development of the site.</li> <li>3. Development would not unreasonably impact nearby property development which has relied upon the covenant commitments.</li> </ol>			
<input type="checkbox"/> Notarized property owner and/or applicant signature page (attached)			
<input type="checkbox"/> Any other information/documents:			

## **Housing Kitsap**

### **Project Background**

Housing Kitsap is requesting the release of the concomitant agreement established in 1976, known as the Terhune Rezone. This agreement is now outdated, and its release would align with current land use regulations.

All improvements associated with the Viking Crest property exist and are adequate. No new construction or site alterations are proposed as part of this request. Therefore, the proposal will have no impact on surrounding properties.

Upon release of the concomitant agreement, Housing Kitsap's parcel will revert to a raw and unentitled state. Any future development would be subject to all current zoning regulations and comprehensive plan requirements.

Due to the parcel's steep slopes and geotechnical challenges, Housing Kitsap has no intention of pursuing development on this site. The agency's sole interest is in releasing the existing concomitant agreement to facilitate the Boundary Line Adjustment between Housing Kitsap and Viking Crest Condominiums.

**APPLICANT SIGNATURE:**

I, the undersigned, state that, to the best of my knowledge, all the information provided for this application is true and complete. It is understood that the City of Poulsbo may nullify any decision made in reliance upon information given on this application form should there be any willful misrepresentation or willful lack of full disclosure on my part.



Signature of Applicant



Print Name of Applicant

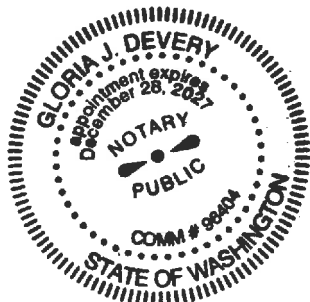
STATE OF WASHINGTON)

) SS

COUNTY OF KITSAP )

On this 20<sup>th</sup> day of Aug, 2025 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dean Nae to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that he/she/they was (were) authorized to execute said instrument.

WITNESS my hand and official seal this 20<sup>th</sup> day of August, 2025.



NOTARY PUBLIC in and for the  
State of Washington Residing at

Commission Expires 12/28/27

## Viking's Crest Owners Association

August 21, 2025

City of Poulsbo  
Attn: Edie Berghoff, Senior Planner  
200 NE Moe Street  
Poulsbo, Washington

This letter is being provided at the request of the City of Poulsbo in connection with that certain transaction between Kitsap Consolidated Housing Authority, a Washington public body corporate and politic ("Housing Kitsap") and Viking's Crest Owners Association (the "Association") for the purchase and sale of approximately 25088 square feet of vacant land located on Kitsap County parcel number 142601-2-026-2005 ("HK Parcel"). The HK Parcel is being separated from parcel number 142601-2-026-2005 via a boundary line adjustment with the City of Poulsbo.

The Amended and Restated Declaration for Viking's Crest, a condominium (as recorded under Kitsap County Auditor's file number 9410060203), and amendments thereto, the Bylaws for Viking's Crest Owners Association, the Articles of Incorporation of Viking's Crest Owners Association, do not reference or describe a tennis court or enclosed park as a component, amenity, or common element of Viking's Crest, a condominium;

Article 31 of the Amended and Restated Declaration for Viking's Crest, a condominium, as recorded under Kitsap County Auditor's file number 9410060203, states that "The Survey Map and Plans were filed with Auditor of Kitsap County Washington, simultaneously with recording of this Declaration under File No. 9410060196, in Volume 5 of Condominiums, pages 45 through 47." The 1994 survey map and plans for Viking's Crest, a condominium, were then amended by instruments filed with the Kitsap County Auditor under the following recording numbers: 9508100164, 9609230199, 3153741, 200008240283, and 200110080112 (collectively, "Survey Map and Plans").

Parcel number 142601-2-026-2005, on which the tennis court and park are located, is not within the land described in the Survey Map and Plans.

The public offering statement that was provided to the original purchasers of units in Viking's Crest, a condominium, upon recording of the Amended and Restated Declaration for Viking's Crest, a condominium, under Kitsap County Auditor's file number 9410060203, did not reference the tennis court or enclosed park as an component, amenity or common element of Viking's Crest, a condominium.

The tennis court and enclosed park located on parcel number 142601-2-026-2005 are not part of Viking's Crest, a condominium; The tennis court and enclosed park are not common



elements, amenities, or components of Viking's Crest, a condominium; The tennis court and enclosed park are not under the Association's jurisdiction or control.

Sincerely,

A handwritten signature in cursive script, appearing to read "Heather Torres".

Heather Torres, President

Board of Directors of Viking's Crest Owners Association