City of Poulsbo

Planning & Economic Development

December 31, 2025

Montebanc Management LLC
400 NW Gilman Blvd Suite 2781
Issaquah, WA 98027
Email: pjdevenzio@montebanc.com

Subject: Pinnacle at Liberty Bay PRD and Preliminary Subdivision | P-06-20-25-03 | Request for Revisions

Dear Applicant,

This letter is to notify you that the Planning and Economic Development Department (PED) has completed its technical staff review of the above-mentioned application resubmitted for technical review on December 2, 2025.

Requests for revisions have been included as supplemental memo attachments to this letter. Please include *detailed* responses to **all** the requested revisions and the Revision Submittal Form/Matrix upon resubmittal.

The land use permit is under a 170-day decision timeline per PMC 19.80.030. With this letter the statutory timeline will be placed on hold. If the applicant fails to submit the city required revisions, corrections, studies or information within 90 calendar days of the city's written request, the application shall be deemed null and void per PMC 19.80.050 A.

Feel free to contact me at ncoleman@cityofpoulsbo.com with any questions or comments you may have.

Sincerely,

Nikole Coleman

Nikole Coleman, AICP
Planning Manager

Electronic Attachments: Revision Submittal Form and Matrix

Attachments:
Planning and Economic Development Department Memo
Sound Urban Forestry Peer Review
Rod Malcom, Suquamish Tribe Letter
Engineering Department Memo

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MEMO

To: Montebanc Management LLC

From: Nikole Coleman, AICP, Planning Manager

Subject: Pinnacle at Liberty Bay PRD; Request for Revisions No. 2; P-06-20-25-03

Date: December 31, 2025

The Planning and Economic Development Department has reviewed the above-mentioned project and provides the following comments, which must be addressed.

Open Space and Amenities

1. Based on the applicant's materials, approximately 31% of the site contains critical areas or associated buffers. Per PMC 18.260.090(G)(2), no more than 50% of the required open space may consist of critical areas and their buffers. However, according to the applicant's open space calculations on Sheet PP-32, approximately 54% of the total open space currently lies within critical areas. Please revise the open space plan to meet the code limitation or provide corrected and updated calculations demonstrating compliance with PMC 18.260.090(G)(2).

Habitat Management Plan – Stream Typing

2. The applicant has provided a response prepared by Sewall Wetland Consulting (SWC) to the third-party peer review conducted by Farallon Consulting/Grette Associates regarding stream classification and associated buffer requirements. Staff has reviewed the applicant's response and does not concur with the assertions made in the Peer Review Addendum related to stream typing and reliance on mapped data alone.

   Poulsbo Municipal Code is explicit that mapped critical area information is approximate and does not supersede site-specific field determinations:

   - PMC 16.20.115(F) states that the location and extent of mapped critical areas are to be used only as a general guide, and that the type, extent, and boundaries of critical areas shall be determined in the field by a qualified specialist according to the requirements of Chapter 16.20.
   - PMC 16.20.115(F)(4) further authorizes the PED Director to issue revised critical area maps when new or revised information becomes available regarding the presence, absence, or classification of critical areas.

   In addition, PMC 16.20.750 requires that for all regulated activity proposed on a site containing or located within 300 feet of a fish and wildlife habitat conservation area, a habitat assessment must identify, at a minimum, the type of stream and its prescribed buffer.

   The peer review conducted by Farallon Consulting/Grette Associates included site observations and analysis of physical stream characteristics and fish passage data and concluded that Stream C meets the criteria for a higher stream classification than identified in the applicant's report. Staff find this site-specific analysis to be consistent with the requirements of Chapter 16.20 and applicable Best Available Science.

   Accordingly, no further review of the Habitat Management Plan will be conducted at this time. Review of the Habitat Management Plan, including buffer widths, stream crossing design, and mitigation measures,

is suspended until the applicant acknowledges and resolves the appropriate stream typing based on site-specific field conditions consistent with PMC 16.20. A revised critical areas report and habitat management plan addressing the peer review comments and correcting stream classification shall be submitted for further review.

Other

3. The City updated its Critical Areas Ordinance (CAO) in November 2025 (Ordinance 2025-19). The City is exploring with legal counsel the applicant's assertion that approval of the preliminary plat vests future building permits to the regulations in effect on the date of plat counter complete application. If the building permits are subject to the new CAO, the following will be a condition of approval for this preliminary subdivision:

   "Pursuant to RCW 58.17.033, the City's determination that this preliminary subdivision application is complete establishes vesting to the subdivision regulations and critical areas regulations in effect on the date of complete application solely for purposes of preliminary subdivision review, including lot configuration, road alignments, utility layout, and subdivision design.

   Approval of this preliminary subdivision does not vest future building permits to the regulations in effect at the time of preliminary subdivision application. Future permits shall be subject to the codes and standards in effect at the time a complete application for such permits is submitted, consistent with RCW 19.27.095 and applicable case law."

4. There appear to be lots under both critical areas ordinances that have a limited buildable area and could potentially only be constructed with a Reasonable Use Exception. The City will continue to review the application; however, at this time, it is unclear whether staff can recommend approval of a preliminary subdivision that would create lots for which development may require a Reasonable Use Exception to critical areas regulations. Staff may request that the applicant provide a depiction of buildable areas outside of critical areas as we continue to resolve the stream typing and the impact of the new CAO on future building permits.

5. The following will be a condition of approval for this preliminary subdivision:

   "Prior to issuance of any building permit for Lots 52–56, the applicant shall demonstrate compliance with Kitsap Public Health District (KPHD) Drinking Water Supply Regulations (Ordinance 2018-01) for development within the 100-foot sanitary control radius of an existing Group B public water system well. Compliance shall include:

   1. Recorded Plat Restriction: The final plat shall clearly state that Lots 52–56 are ineligible for building permit issuance unless and until the water system is no longer classified by KPHD as a public water system, or the well is formally decommissioned, as confirmed in writing by KPHD.
   2. KPHD Approval: Any restrictive plat language, covenant, or notice addressing the sanitary control area shall be reviewed and approved in writing by KPHD and recorded prior to, or concurrently with, final plat approval.

   No vertical construction shall occur on Lots 52–56 until the above requirements are satisfied."

Peer Review

6. The SWC Peer Review Addendum is being reviewed by Fallon/Grette Associates for the wetland portions of the review; their comments shall be provided when received.
7. The response to Sound Urban Forestry peer was reviewed; their comments are attached and must be addressed in the project resubmittal.
8. The Suquamish Tribe provided comment on December 19, 2025; their comments are attached and must be addressed in the project resubmittal.

SOUND URBAN FORESTRY, LLC **SUF**

Memo

To: Nikole Coleman, City of Poulsbo, Planning Manager

From: Kevin McFarland, City of Poulsbo Contracted Arborist

Date: 12/19/2025

Re: Pinnacle at Liberty Bay Re-Submittal Review

Upon the request of the City of Poulsbo, Sound Urban Forestry has completed a review re-submitted application materials for the Pinnacle at Liberty Bay project. I was provided a link to the submitted materials in an email on December 9, 2025.

Findings and Comments

In reviewing the submitted response letter (Line Items #25-27) and associated materials, it appears the applicant has addressed or will be addressing the concerns listed in my peer review dated August 29, 2025 following Preliminary PRD approval by the City. These concerns included the indication of tree protection fencing locations with clear construction notes, a reassessment of the trees following clearing and grading and potential impacts from the trail installation. Furthermore, the updated Landscape Plans include varieties of street trees that are acceptable. I have no further comments.

If you should have questions, please feel free to contact me at 360-870-2511 or suf1234@comcast.net

From:	Rod Malcom
To:	City of Poulsbo Planning and Economic Development
Cc:	Nikole CH. Coleman
Subject:	RE: [External] Pinnacle at Liberty Bay PRD and Preliminary Subdivision - Technical Review No. 2
Date:	Friday, December 19, 2025 11:39:04 AM
Attachments:	Pinnacle at Liberty Bay Technical Review 2.pdf

Good morning, attached are comments from the Suquamish Tribe regarding the subject proposal.

If you have any questions, please contact me.

Thank you.

Rod

Roderick Malcom
Biologist/Ecologist
Natural Resources Department

THE SUQUAMISH TRIBE

P.O. Box 498 (mailing)
18490 Suquamish Way
Suquamish, WA 98392
Phone: (360) 394-8449

From: City of Poulsbo PED Department <planninginfo-cityofpoulsbo.com@shared1.ccsend.com>
Sent: Tuesday, December 2, 2025 11:16 AM
To: Rod Malcom <rmalcom@suquamish.nsn.us>
Subject: [External] Pinnacle at Liberty Bay PRD and Preliminary Subdivision - Technical Review No. 2

City of Poulsbo
Technical Review Notice

Technical Review Committee,

Please find the project documents for the Pinnacle at Liberty Bay Preliminary Plat and Planned Residential Development here.

Please let me know if you have problems accessing the electronic application.

Nikole Coleman | Planning Manager | ncoleman@cityofpoulsbo.com

Tech Review No. 2 (due December 19, 2025)

Pinnacle at Liberty Bay PRD and Preliminary Subdivision - Technical Review No. 2

The Natural Resource Department supports the conclusions stated in the third party review - "*Pinnacle at Liberty Bay: Third-Party Review*" dated 29 August 2025 or "*Third Party Review*" - however, as this third party review compares the information from the applicant, supplemented by that collected by the third party reviewer against City Code some environmental considerations can be overlooked.

This comment letter will address: (1) some specific concerns with the "*Pinnacle at Liberty Bay Critical Area Report & Habitat Management Plan*" dated 14 July 2025 or "*HMP*"; (2) anthropogenic barriers and seasonal stream; (3) Site Potential Tree Height (SPTH) and buffer widths; and (4) non-natal rearing use.

1. Some specific concerns with the *HMP*.

The *HMP* includes an omission found in many other Habitat Management Plans, that of reporting stream width without providing the number of measurements taken or over what distance they were taken. WAC 222-16-030 in regard to channel width and gradient reads as follows: "*(f) "Channel width and gradient" means a measurement over a representative section of at least 500 linear feet with at least 10 evenly spaced measurement points along the normal stream channel*". Channel width is important as WAC 222-16-031 which directs that Type 3 waters are Typed a Type F states a Type 3 water is a stream segment "*having a defined channel of 2 feet or greater within the bankfull width in Western Washington*" and "*and having a gradient of 16 percent or less*".

Table 1 presents the *HMP*'s reported stream widths. This wording implies reported stream widths based on the OHWM. As bankfull width is not necessary the same as the width of a stream at the OHWM (sometime is it smaller, sometimes it is larger), the applicant should clarify if the report widths are BFW or the width of the channel at the OHWM. Additionally, merely reporting the range of the stream width, particularly for smaller streams, without including the actual measurements as well as where they were taken can obscure sections of the stream that meet the Type F definition. For example, a stream that is mostly 24 inches bankfull width, but has a short segment of 12 inches that might be an anomaly and not typical of the channel width.

For the preceding reasons, the applicant should provide each individual recorded bankful width and the location taken for streams A, B, and D. Additionally, though from the *HMP* narrative (page 16), Barrante's Creek/Stream C meets the definition of a Type F stream, the location of the bankful width measurements are important to ascertain where the stream type break occurs.

Table 1. Reported stream widths in the *HMP*.

Page number	HMP wording (bold emphasis added). Spelling mistakes are as found in the original text.
12	Stream A. A small stream with a channel from 6"-12" in width drains water out of Wetland A and through a pvc culvert under and old road bed to the south.

15	Stream B. A small stream with a channel from 12”-24”” in width drians water from a culvert under and old road bed from Wetland B into Wetland C and then Stream C to the west. The channel has several steep sections and appears to be seasonal in flow. The **OHWM of** the stream was flagged with blue flags N1-N3 and S1-S3.
16	Barrante’s Creek/Stream C. The **ordinary high water mark/top of bank** was flagged with blue flags labeled E1-E38 and W1-W38. The width of the stream varies for 2’-6’ but is more of a ditched configuration on the south end of the site.
18	Stream D. This stream has intermittent flow (no flow was presnet during our April site visit) with a channel from 12”-18” in width.

2. Anthropogenic barriers and seasonal streams.

In regard to Barrante’s Creek (Stream C) to which the applicant has stipulated meets the physical criteria to be a Type F streams, the HMP (page 17) states: “*The stream has been shown as a non-fish bearing stream on the Fpars website and there was no evidence of fish use observed during our site visit.*” There are several issues with this statement.

First, the wording “*has been shown as a non-fish bearing stream*”. First the FPars website is often inaccurate and there is also a backlog of stream type information to be entered. There have been site visits for other projects where the applicant used FPars to state the stream is non-fish bearing stream, but for which updated stream type information had been previously submitted, but not yet uploaded. Second, lack of fish observations during a site visit does not mean fish do not use the stream, have not used it, or could not use in the future. Third, the presence of downstream culverts can preclude the movement of fish into areas that previously supported fish use. This particularly is relevant to seasonal streams as resident fish are unable to survive in the stream channel, except in the presence of pools of acceptable water quality that might remain in the channel until seasonal flow returns.

One reason for the use of physical criteria to type streams is the presence of downstream anthropogenic barriers, that if removed would allow for upstream movement of fish. Also, applicants tend to focus on natal fish use of a stream and overlook the possibility of non-natal fish entering the stream from other areas, but which enter in blocked or impeded by anthropogenic barriers. This will be addressed in detail later in section 4.

Additionally, the applicant is proposing a culvert over a Type F stream, creating another potential passage issue in the future. Some culverts built to WDFW fish passage requirements have been known to have long-term issues. A bridge should be required.

3. Site Potential Tree Height (SPTH) and buffer widths

The width of the riparian corridor plays a paramount factor in both providing and protecting stream functions. Though the City has historically had some of the better stream buffers, Best Available Science (BAS) has advanced. The most recent BAS on stream buffer widths was released by the WDFW in 2020 when the WDFW released two documents:

1. *Riparian Ecosystems, Volume 1: Science Synthesis and Management Implications* (Volume 1) (Quinn et al. 2020); and

2. *Riparian Ecosystems, Volume 2: Management Recommendations* (Volume 2) *(*Rentz et al. 2020)

These documents recommend using a location's Site Potential Tree Heigh (SPTH) to determine buffer width, with the buffer width generally equal to the SPTH of a 200 year old tree. Site Potential Tree Height is the average maximum height of the tallest dominant trees for a given age and soil condition. SPTH at the project site is approximately 217 feet (Fig 1). *Riparian Ecosystems, Volume 2: Management Recommendations* (Volume 2) contains the following statement on page 8:

> "*The width of the riparian ecosystem is estimated by one 200-year SPTH measured from the edge of the active channel or active floodplain. Protecting functions within at least one 200-year SPTH is a scientifically supported approach if the goal is to protect and maintain full function of the riparian ecosystem."*

Page 17 contains the following wording:

> "*Thus , designating a riparian area based on at least one $SPTH_{200}$ is a scientifically supported approach if the goal is to protect and maintain full function of the riparian ecosystem for aquatic habitat and species, including salmon.*"

Page 11 also states (bold emphasis in original):

> *"If $SPTH_{200}$ is less than 100 feet, the RMZ is delineated by the pollution removal function (see below)"*
>
> *"**For both forested and dryland ecoregions, use the pollution removal function when appropriate:** Where the $SPTH_{200}$ and/or the width of the riparian vegetative community is less than 100 feet, we recommend that RMZ width be delineated at a minimum of 100 feet, as this provides the width necessary for 95% pollution removal target for most pollutants (approximately 85% for surface nitrogen.)"*

. For example, the WDFW stated[1] emphatically on page 4 (emphasis added):

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1 Rentz, R., A. Windrope, K. Folkerts, and J. Azerrad. 2020. Riparian Ecosystems, Volume 2: Management Recommendations. Habitat Program, Washington Department of Fish and Wildlife, Olympia.

> "*Restoration of riparian ecosystems is critically important because legacy of environmental impacts resulting from the ways land use has affected riparian areas over the past 200 years. In other words, what* ***remains available for protection is not enough to provide the full functions and values Washington's fish and wildlife need.*****"**

Page 11 of "*Riparian Ecosystems, Volume 2: Management Recommendations* (Volume 2)" contains the following wording (bold emphasis in original) regarding stream buffers[2].

> ***"Apply the recommended RMZ delineation steps to all streams, whether or not they are fish-bearing:*** *In 1997, WDFW recommended a lower level of protection for non-fish bearing streams than fish-bearing streams. In reviewing the current science literature for Volume 1, we found no evidence that full riparian ecosystem functions along non-fish-bearing streams are less important to aquatic ecosystems than full riparian ecosystem functions along fish-bearing streams. This recommendation is based on four additional considerations."*

Among the reasons given for this were: (1) provision fish-bearing streams with matter and energy; and (2) providing cool water to downstream reaches. Washington State has already experienced increased stream temperatures due to climate change and expect further increases, which have direct implications for the persistence of fish.

The applicant should not expect stream buffers less than the recommended minimum of 100 feet, will be sufficient to remove pollutants. Additionally, it should be assumed that any riparian buffer less than a SPTH is a *de facto* impact to the non-pollutant removal functions of the riparian area that should be considered during SEPA and other environmental review.

4. <u>Non-natal rearing and pocket estuaries.</u>

Following up from section 2, is non-natal use of streams by salmonids. Non-natal use by juvenile salmonids is salmon rearing in habitats *outside* their natal watershed. Increasingly research has shown that juvenile salmonids during their movement along marine shorelines enter the mouths and ascend non-natal streams. Even if no adult salmonids spawn in any of the streams at or downstream of the project site, juveniles from other stream discharging in Liberty Bay can enter these streams and use them up to the anthropogenic passage barriers. The juvenile outmigration period for salmonids originating in streams draining to Liberty Bay is late winter/early spring and corresponding to when smaller seasonal streams are most likely to have flow.

Furthermore, he marine area near where the streams traversing the project site discharge into Liberty Bay is mapped as a pocket estuary (Fig 2) and there are small deltas near the mouth of the Barrante's Creek and stream D. As a result, considerable juvenile salmonid use, particularly coho and chinook, in this area is to be expected, increasing the probability some juveniles will

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2 Page 11 indicates the RMZ delineation is the buffer width as follow: "*To aid with site-specific RMZ delineation, WDFW created an internet-based mapping tool that reports recommended widths for RMZs (Appendix 1) statewide based on $SPTH_{200}$. The tool also notes instances where a 100-foot RMZ should be applied to support the pollution removal function.*"

ascend the stream channels to the limit of passage. WAC 222-16-030 includes the following statement: "*(h) "Fish habitat" means habitat which is used by any fish at any life stage at any time of the year, including potential habitat likely to be used by fish which could be recovered by restoration or management and includes off-channel habitat.*" Year round use is not required.

As ongoing research show juvenile coho are more mobile and opportunistic than previously thought and use the coastal marine environment to reach non-natal streams for survival and growth. This makes such non-natal streams critical components of the coho life cycle. The project as proposed has the potential to impact this use.

Conclusions

The stream buffers as proposed by the applicant do not meet Code requirements, let alone Best Available Science.

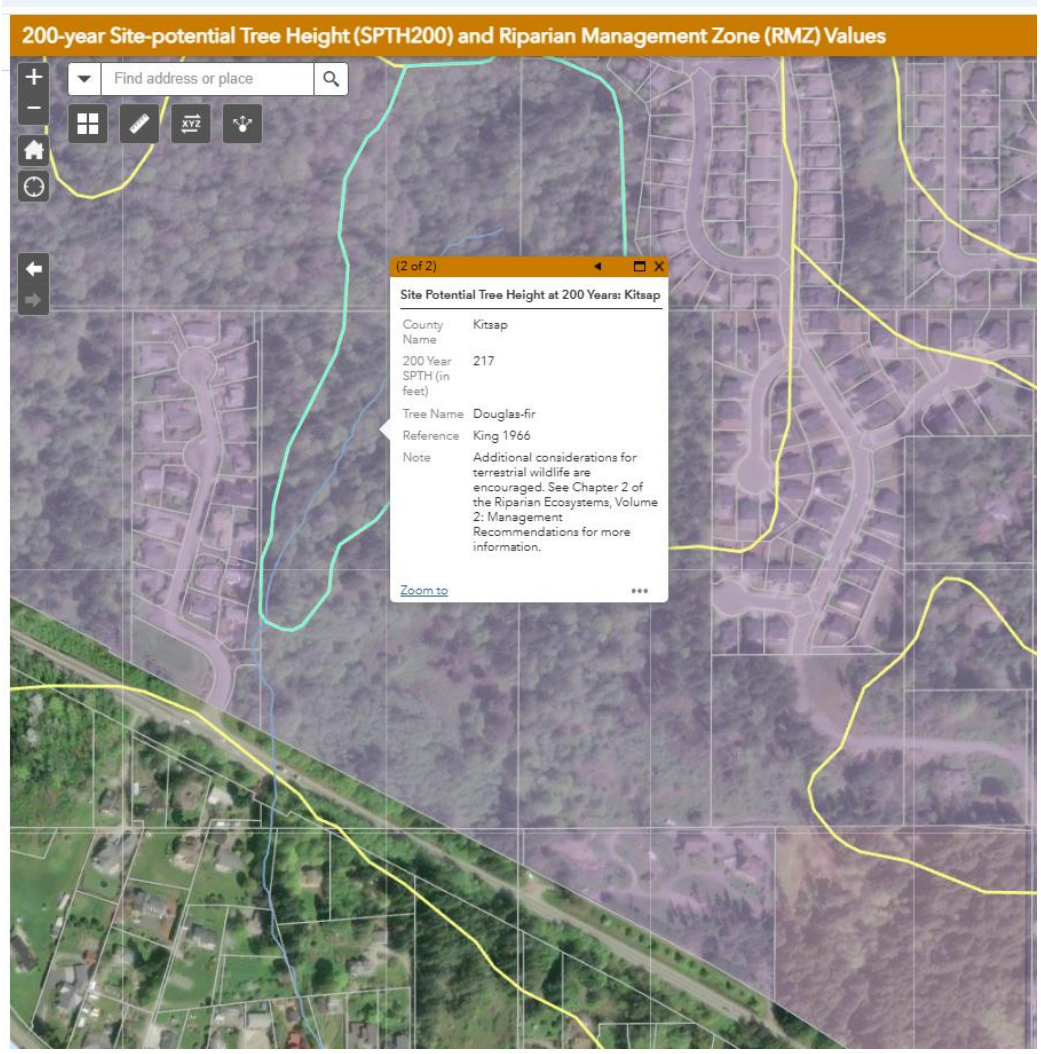

Fig 1. Site potential tree height at project site.

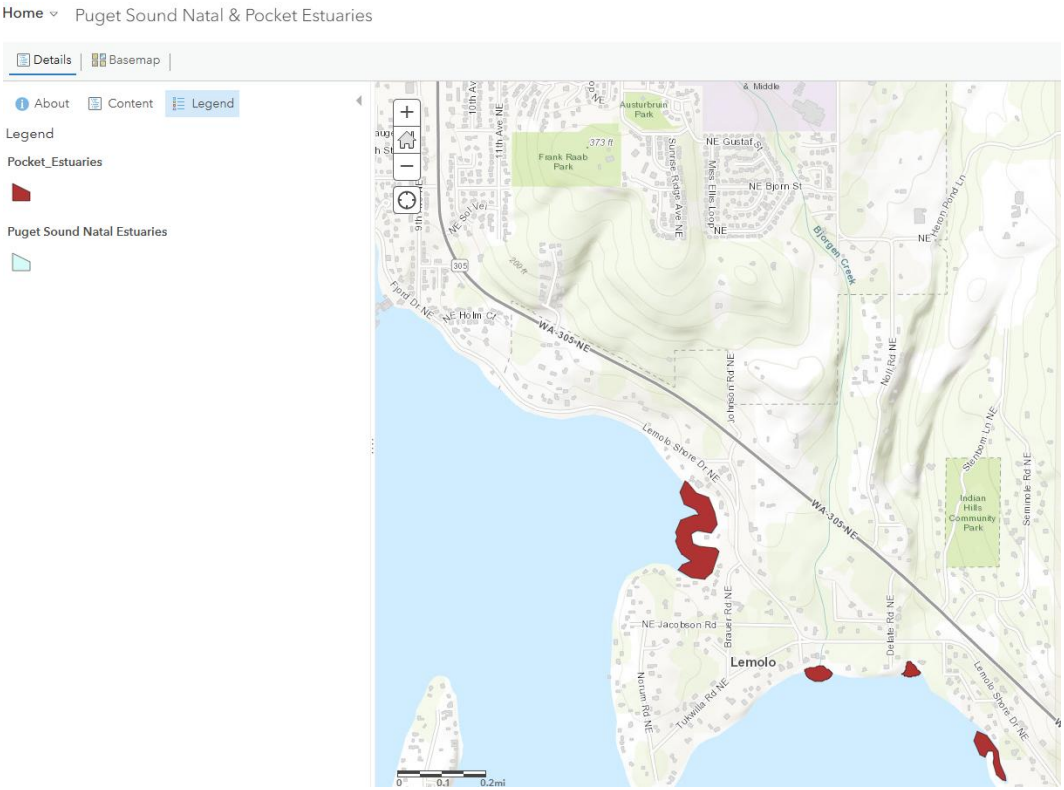

Fig 2. Location of mapped pocket estuary in relation to project site.

Fig 3. Small deltas near the mouths of Barrantes' Creek and stream D.

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MEMO

To: Montebanc Management LLC, John Everett
From: Donald Washburn, Engineering Technician
Subject: Pinnacle at Liberty Bay Site Plan Application Submittal #2; P-06-20-25-03
Date: 12/19/2025

The City of Poulsbo Engineering Department has reviewed the Pinnacle at Liberty Bay Submittal #2 and provides the following comments.

Transportation:

1. Updated site plan and TIA has been forwarded to WSDOT for their comment. Comments will be forwarded to the applicant upon completion.

Stormwater:

2. On sheet PP-18, it appears that the storm pond will require work in HWY 305 Right of Way. Any alterations to State-owned right of way will likely require permission from the State for the construction work and possibly a franchise agreement depending on the work being performed. A ROW permit from WSDOT for the work being proposed will be due prior to grading permit approval.

3. As discussed in previous memo, the applicant will be required to provide confirmation from WSDOE stating if a reservoir permit or dam permit is required for the proposed storm pond. This is due prior to grading permit approval.

4. Please submit a preliminary TESC plan for review prior to land use approval. As discussed in previous comment letter. TESC plan must include BMPs to manage summer and winter construction. Typical issues are dust control and turbid runoff. The current configuration of the site includes improvements up to the stream buffer, this should be considered when putting together the preliminary TESC plan.

Water:

5. The applicant shall indicate preliminary PRV locations per peer review recommendations on site plan prior to land use approval to demonstrate feasibility.

6. Water connections consistent with peer review recommendations shall be indicated on site plan prior to land use approval, and demonstrate how phasing plan is possible with recommended water layout.

Sewer:

7. Sheet PP-25: The following manholes are greater than 10ft deep and shall be upsized to 54” manholes (Construction Standards Section 3(e)(7)).
    a. SSMH #7
    b. SSMH #8
    c. SSMH#9

d. SSMH #10

8. Please provide profile views of all sewer mains and manholes in revised plan set.

9. Sheet PP-25 – Site plan indicates 285 LF 8" PVC for sewer between SSMH #9 and SSMH #10. Please correct to HDPE to match profile view.

10. Sheet PP-25 – Sewer pipe runs with >15ft of coverage shall be ductile iron per construction standards.

Site Plan:

11. Updated site plan does not appear to contain any road centerline curves or slopes for updated road design. Please include road geometry and profiles in revisions.

12. Sheet PP-06 – 8' wall on east side of Road B likely cannot be constructed without trespass onto adjacent lots.
    a. Expect additional requirements for this wall and others in the development based on IBC regulations.

13. Sheet PP-11 – Proposed road layout appears to show a road grade of 15.9%. The maximum grade of all streets shall not exceed 12% (Construction Standards Section 2 – C).

14. As discussed previously, the deviation request for a 45ft ROW will require council approval. These comments are based on the current layout utilizing 45ft ROW and are subject to change if the deviation request is not approved.

15. Sheet PP-09 – Rock wall for Lot 71 appears to be within the 10ft Utility Easement. No rockeries/retaining walls may be constructed within the ten-foot (10') wide utility easement fronting all lots or within any other utility easement (Construction Standards Section 1 – H).