Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

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

Staff Report
PINNACLE AT LIBERTY BAY PLANNED RESIDENTIAL DEVELOPMENT PRELIMINARY SUBDIVISION, AND CRITICAL AREA REVIEW

To: Poulsbo Planning Commission
From: Nikole Coleman, AICP, Planning Manager
Date: November 6, 2026
Subject: Pinnacle at Liberty Bay Planned Residential Development | P-06-20-25-03

Planning and Economic Development (PED) staff respectfully recommends **approval with conditions** of the Pinnacle at Liberty Bay Planned Residential Development, Preliminary Subdivision, and Critical Area Review, Planning File P-06-20-25-03.

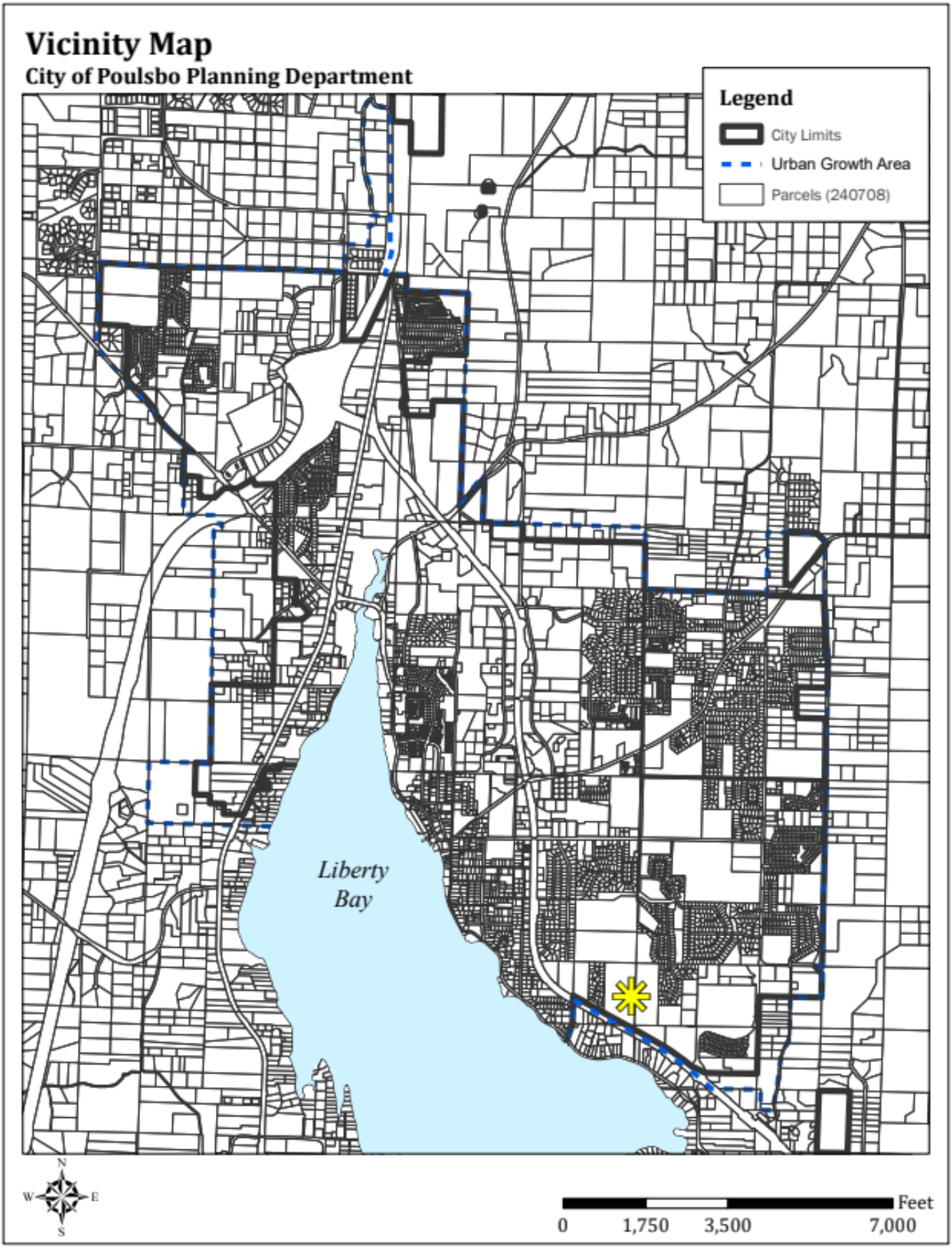
ACTION:

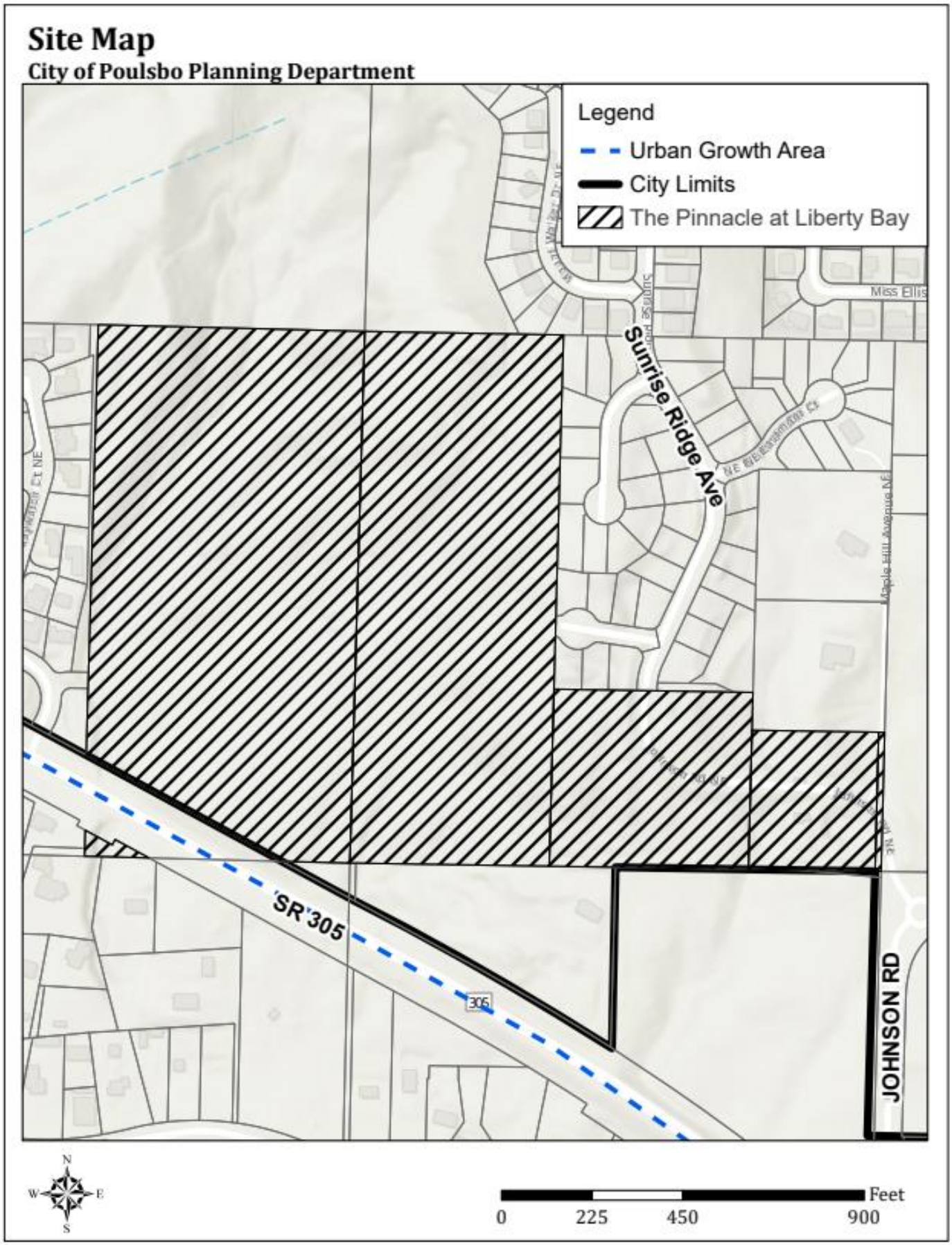
The Planning Commission shall hereby recommend (approval) (approval with modifications) (denial) to the Hearing Examiner of the Pinnacle at Liberty Bay Planned Residential Development, Preliminary Subdivision, and Critical Area Review, Planning File P-06-20-25-03, and authorize the Chairperson to sign the Planning Commission Findings of Fact, Conclusions and Recommendation.

CONTENTS:

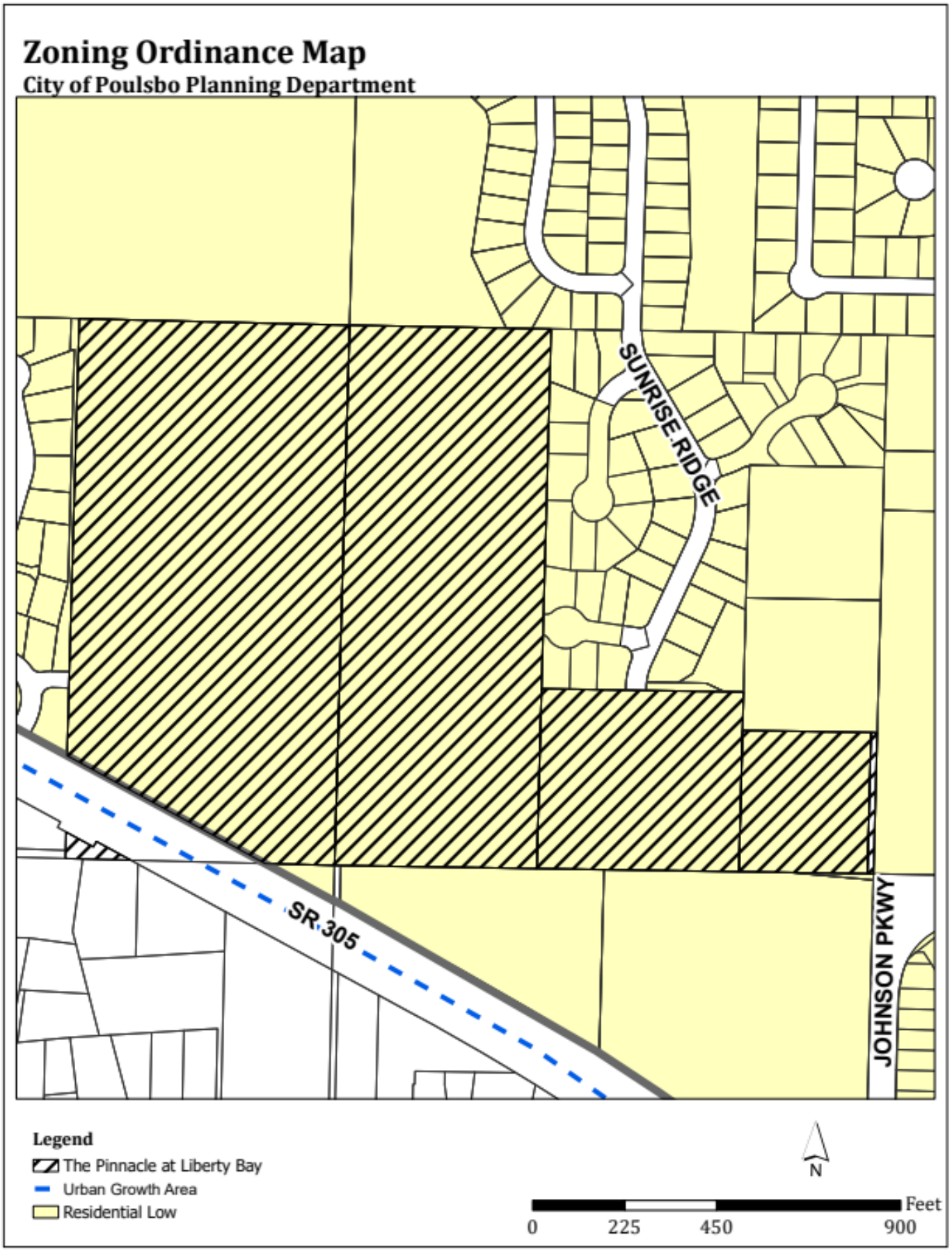
Page 2 City Vicinity Map
Page 3 Site Vicinity Map
Page 4 Comprehensive Plan and Zoning Map
Page 5 Staff Report
Page 9 Applicable Review Criteria
Page 9 Critical Areas
Page 15 Land Division
Page 19 Zoning Ordinance
Page 19 Residential Districts
Page 21 Planned Residential Districts
Page 33 Public Comment
Page 37 State Environmental Policy Act (SEPA)
Page 37 Project Permit Procedures
Page 38 Staff Comments and Recommendations
Page 38 Exhibits
Page 40 Conditions of Approval

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65




Site Map
City of Poulsbo Planning Department
Legend
Urban Growth Area
City Limits
The Pinnacle at Liberty Bay
Sunrise Ridge Ave
SR 305
JOHNSON RD
N
S
E
W
Feet
0
225
450
900

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65



Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

PINNACLE AT LIBERTY BAY PLANNED RESIDENTIAL DEVELOPMENT, PRELIMINARY SUBDIVISION, AND CRITICAL AREA REVIEW | P-06-20-25-03

I. GENERAL INFORMATION

Applicant Name and Address: Montebanc Management, LLC | 400 NW Gilman Blvd | Issaquah, WA 98027

Agent Name and Address: ESM Consulting Engineers | 33400 8th Ave S, STE 205 | Federal Way, WA 98003

Owner Name and Address:

- Johnson Forest Land, LLC | 1912 34th Ave W | Seattle, WA 98110
- Owl Ridge LLC | 10470 Battle Point Dr NE | Bainbridge Island, WA 98110
- UHL MALAURI | 10470 Battle Point Dr NE | Bainbridge Island, WA 98110

Land Use Review: Planned Residential Development, Preliminary Subdivision, Critical Area Review | Type III

Description of Proposal: The applicant requests approval of a Planned Residential Development (PRD) and Preliminary Subdivision to divide approximately 41.41 acres into 130 single-family residential lots, together with associated public and private roadways, pedestrian improvements, water and sanitary sewer infrastructure, stormwater facilities, recreational amenities, landscaping, critical area tracts, and permanent open space. The project is proposed to be constructed in phases.

Primary vehicular access is proposed from NE Crystallia Court and Sunrise Ridge Avenue NE, with an internal roadway system consisting of Roads A through D. The submitted Preliminary Subdivision does not depict a roadway connection to Baywatch Court NE. Based on the Engineering Department's review, a public roadway connection between the development and Baywatch Court NE, consistent with planned roadway NR-12, is required to satisfy applicable street connectivity, circulation, and emergency-access requirements pursuant to PMC 17.80.060, PMC 18.260.140(J), and applicable SEPA mitigation.

Engineering Condition of Approval (COA) E52 requires construction of the Baywatch Court/NR-12 connection with the first division of the subdivision unless sufficient additional mitigation is approved by the City Engineer and Fire Code Official. Final design, permitting, construction, and acceptance of the connection shall be completed in accordance with the Engineering/Public Works Conditions of Approval (Exhibit 1.a) and applicable City standards. Each proposed division must also demonstrate that the necessary access, utilities, and infrastructure can function independently before final plat approval, consistent with COA E10.

The site contains wetlands, streams and associated buffers, geologically hazardous areas, significant tree cover, and substantial topographic variation. The project design has been revised through multiple technical review cycles to address roadway geometry, grading, retaining walls, stormwater facilities, utility infrastructure, critical areas, landscaping, open space, and other development requirements. Final engineering design remains subject to the conditions of approval and subsequent grading, civil construction, and other applicable permits.

Project Evolution and Technical Review History. The proposal currently before the City reflects substantial modification from the project originally submitted. The application has undergone multiple technical review and resubmittal cycles involving review by the Planning and Economic Development Department, Engineering Department, Public Works Department, outside agencies, and independent technical consultants. Each review cycle identified issues requiring clarification, additional analysis, or modification of the preliminary subdivision and supporting technical documents. As a result, the configuration, lot count, roadway system, grading and retaining-wall design, utility layout, stormwater facilities, critical-area protections, landscaping, open space, and project phasing have evolved during the review process.

Substantive changes made during the technical review process include:

- Lot configuration and project density. The residential layout was repeatedly adjusted as the roadway, grading, critical-area, stormwater, and open-space designs were refined. Earlier iterations contained approximately 137–138 lots; the current proposal contains 130 lots. The September 16, 2026, Preliminary Subdivision (Exhibit 2.b) and subsequent detailed sheets consistently show the current layout through Lot 130.
- Road D and internal circulation. Road D was revised in response to the City's maximum dead-end street-length requirements. During the July 2026 review cycle, the applicant reported shortening Road D to 500 feet and modifying the associated lot layout.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

- Adjacent street connections. The plans were revised to recognize future roadway connectivity to adjacent properties, including the approved future street associated with the Audrey Estates PRD. The applicant also submitted separate feasibility analyses addressing potential connections to adjoining properties.
- Baywatch Court/NR-12 connection. Access and connectivity became a significant issue during review. The City determined that a public street connection to Baywatch Court NE is required, while the applicant submitted technical analyses addressing the feasibility of various crossing configurations. The City subsequently obtained an independent engineering review of the proposed connection and Stream C crossing alternatives. September 16, 2026, independent review (Exhibit 9.g) specifically evaluated roadway geometry, stream-crossing requirements, maximum grades, and intersection landing requirements.
- Grading and retaining walls. Grading limits, slopes, and retaining-wall locations and configurations were revised through successive plan sets. Retaining walls were relocated or modified to address conflicts with public and dry-utility easements, ownership and maintenance responsibilities, and pedestrian safety. For example, walls adjacent to Lots 44 and 45 were removed from utility easements and additional wall modifications were made near Lot 4.
- Water, sewer, and utility infrastructure. Utility alignments and easements were revised to address maintenance access, conflicts with retaining walls, critical-area impacts, utility ownership, and the location of water, sanitary sewer, stormwater, and dry utilities. The plans also identify utility crossings of critical areas, including the Stream C sewer crossing shown in the current plan set.
- Stormwater facilities. Stormwater facilities, conveyance systems, pond configurations, access, and associated grading were revised as the overall site design evolved. The current plans contain two stormwater pond areas and detailed pond, access, and grading information.
- Critical areas. The project design was revised in response to updated critical-area analysis and independent peer review addressing wetlands, streams, buffer averaging, habitat protection, and proposed utility and roadway crossings. These changes affected portions of the roadway, lot, open-space, landscaping, and utility layouts.
- Landscaping, tree retention, and open space. The landscaping and open-space plans (Exhibit 3.a) were revised to correspond with changes to the lot and infrastructure layout and to provide additional information regarding amenities, trails, landscaping, tree retention, and active and passive open space. The current plans include specific open-space tracts and cumulative amenity calculations by phase.
- Transportation analysis. The Traffic Impact Analysis (Exhibit 9.a) was updated in response to City and peer-review comments, including revisions to intersection and corridor information, crash analysis, access-point identification, and clarification that the Sunrise Ridge Avenue NE extension would be completed as part of the project's first phase.
- Project phasing. The phasing plan was revised to correspond with the evolving roadway, utility, lot, open-space, and amenity configuration. The current civil plans depict the development as three phases and identify the infrastructure and development areas associated with each phase.

Collectively, these revisions represent a substantial evolution of the proposal from the project originally submitted. The findings and conditions contained in this staff report are based upon the September 16, 2026 Preliminary Subdivision and associated final resubmittal materials, except where the report specifically discusses an earlier project iteration or document as part of the administrative record.

Location:

- 17505 Sunrise Ridge Ave NE | 242601-3-005-2006
- No Address | 242601-3-019-2000
- No Address | 242601-3-018-2001
- No Address | 242601-3-003-2008
- No Address | 232601-4-001-2009

Legal Description:

- Parcel No. 242601-3-005-2006. PARCEL I: THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID QUARTER QUARTER; THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 24 A DISTANCE OF 330 FEET; THENCE NORTH PARALLEL

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

WITH THE EAST LINE OF SAID QUARTER QUARTER A DISTANCE OF 345.7 FEET; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID QUARTER QUARTER A DISTANCE OF 330 FEET TO THE EAST LINE OF SAID QUARTER QUARTER; THENCE SOUTH ALONG SAID EAST LINE A DISTANCE OF 345.7 FEET TO THE POINT OF BEGINNING; EXCEPT THE EAST 15 FEET THEREOF; SITUATE IN KITSAP COUNTY, WASHINGTON. PARCEL II: THAT PORTION OF GOVERNMENT LOT 7, SECTION 24, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 7; THENCE SOUTH 15 FEET; THENCE NORTHWESTERLY IN A STRAIGHT LINE TO A POINT ON THE NORTH LINE OF SAID GOVERNMENT LOT 7, WHICH IS 200 FEET WEST OF THE NORTHEAST CORNER OF SAID GOVERNMENT LOT 7; THENCE EAST ALONG SAID NORTH LINE 200 FEET TO THE NORTHEAST CORNER THEREOF AND THE POINT OF BEGINNING, AS DISCLOSED IN DECREE FILED IN KITSAP COUNTY SUPERIOR COURT CAUSE NO. 57080; SITUATE IN KITSAP COUNTY, WASHINGTON.

- Parcel No. 242601-3-019-2000. *****REMAINDER PORTION FROM SHORT SUBDIVISION NO. 2808, ENCUMBERED BY EASEMENT**** THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, SECTION 24, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID SUBDIVISION; THENCE NORTH 89*02'10" WEST ALONG THE SOUTH LINE, 15 FEET; THENCE NORTH 01*30'56"EAST PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, 345.7 FEET; THENCE SOUTH 89*02'10" EAST, 15 FEET TO THE EAST LINE OF SAID SUBDIVISION; THENCE SOUTH 001*30'56" WEST ALONG SAID EAST LINE, 345.7 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.
- Parcel No. 242601-3-018-2001. THE SOUTH ONE-THIRD, EXCEPT COUNTY ROAD NO. 141, OF THE FOLLOWING DESCRIBED PROPERTY: THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, SECTION 24, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 330 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24; THENCE WEST 495 FEET; THENCE SOUTH 1320 FEET; THENCE EAST 495 FEET; THENCE NORTH 1320 FEET TO THE POINT OF BEGINNING; TOGETHER WITH AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER AND ACROSS THE WEST 40 FEET OF THE EAST 597.5 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24.
- Parcel No. 242601-3-003-2008. THE WEST 15 ACRES OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M. KITSAP COUNTY, WASHINGTON.
- Parcel No. 232601-4-001-2009. THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 23, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., KITSAP COUNTY, WASHINGTON; EXCEPT HIGHWAY 21A.

Comprehensive Plan and Zoning Designation:		Existing Land Use:	
Site:	Residential Low (4 to 5 DU/1 AC)	Site:	1 single-family residence
North:	Residential Low (4 to 5 DU/1 AC)	North:	Single-family residences; vacant
South:	Residential Low (4 to 5 DU/1 AC)	South:	Single-family residences; SR 305
East:	Residential Low (4 to 5 DU/1 AC)	East:	Single-family residences
West:	Residential Low (4 to 5 DU/1 AC)	West:	Single-family residences

Site Features and Property History:

The subject site consists of approximately 41.41 acres located north of State Highway 305, between the Baywatch and Crystal View residential developments. The project area includes multiple tax parcels and contains one existing single-family residence (constructed in approximately 1935) with associated improvements, an existing private access road (Sunrise Ridge Avenue), stormwater infrastructure, and utility improvements, all of which are proposed to be removed, modified, or incorporated into the proposed development.

Historical records indicate the property was originally part of the Frank Johnson ("Liberty Place") homestead. Following Frank Johnson's ownership, the property passed to his daughter, Edith Johnson Pitsenberger (also referenced in historical records as Edith Johnson), who owned the property from approximately 1930 until 1974. Subsequent ownership included Diane Swearingen, the Stewart family, the Lisa Leah Lang Trust, and the current ownership beginning in 2022. Historical information also indicates that the residence may have served as a seasonal or vacation home while the Pitsenberger family primarily resided in Alaska and later Oregon.

The site is characterized by rolling uplands that transition into the steeper slopes of the Barrante's Creek drainage corridor, with elevations ranging from approximately 120 feet to 376 feet. The property is predominantly forested with mature second-growth coniferous and deciduous trees and native understory vegetation, while limited disturbed areas are associated with the existing residence, access road, and utility

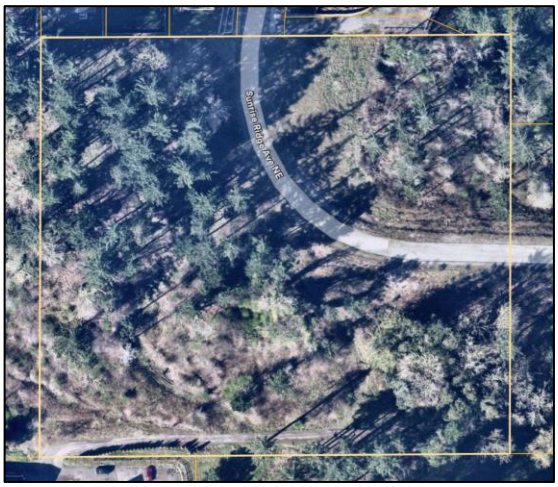
facilities. Regulated critical areas are distributed throughout the site and include streams, wetlands, geologically hazardous areas, critical aquifer recharge areas, and their associated buffers and setbacks.

Aerial Photograph of Subject Site:

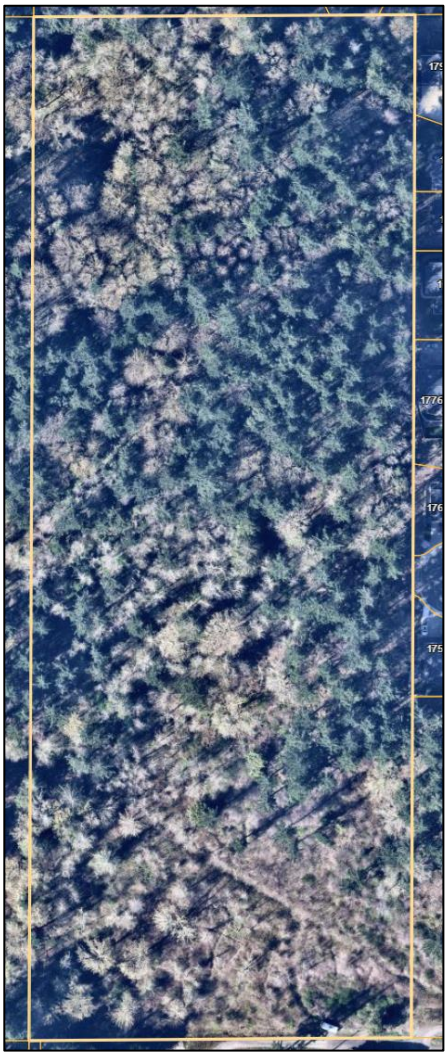
242601-3-005-2006 and 242601-3-019-2000



242601-3-018-2001



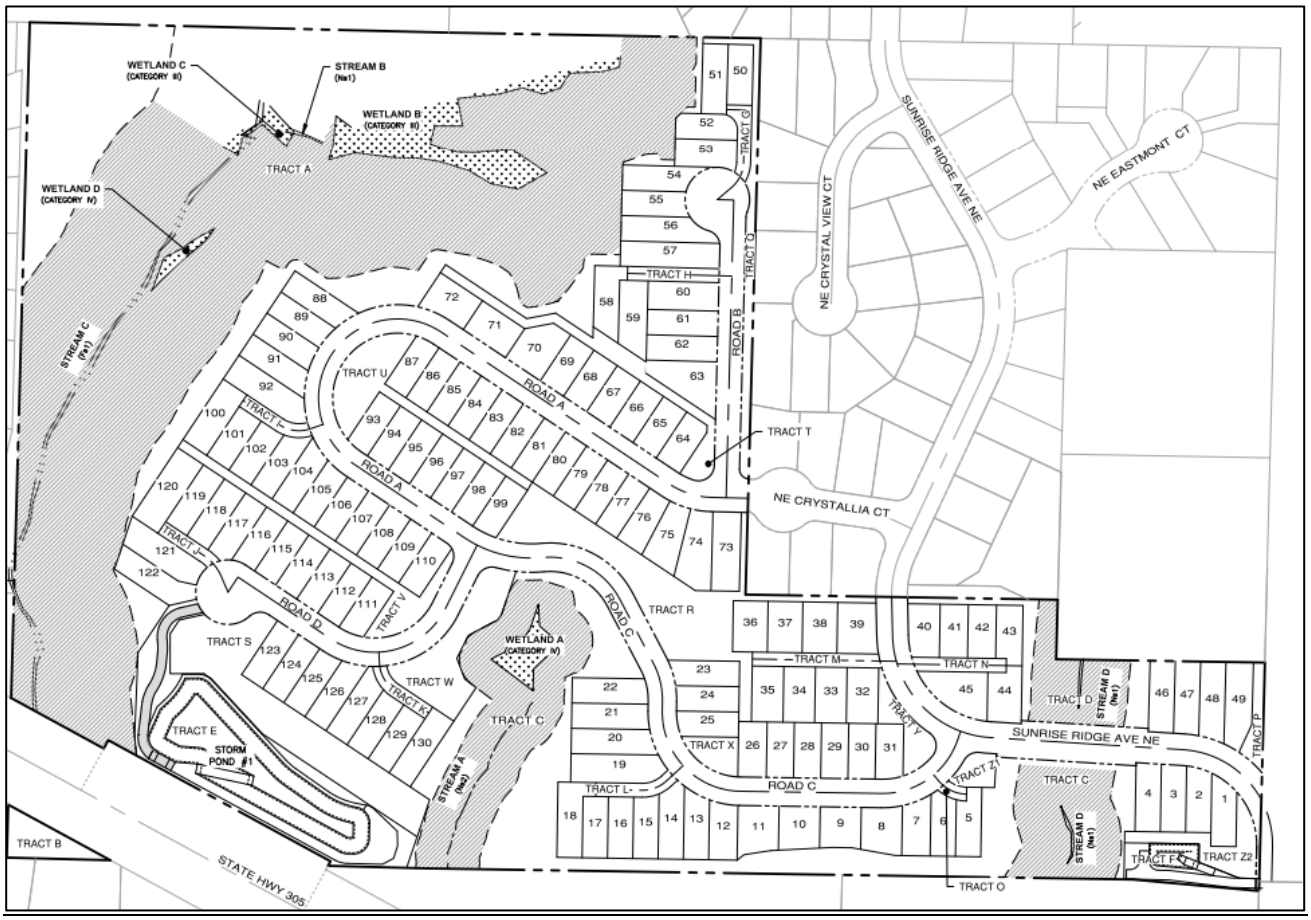
242601-3-003-2008



232601-4-001-2009



Proposed Site Plan (Exhibit 2.b):



II. APPLICABLE REVIEW CRITERIA

The criteria approval for this project is included in the Poulsbo Municipal Code (PMC). The review criteria were established August 14, 2025, the date the application was determined Technically Complete. In particular, PMC Title 16 Environment, PMC Title 17 Land Division, PMC Title 18 Zoning. The project was reviewed according to PMC Title 19 Project Permit Application Procedures.

III. PMC CHAPTER 16.20 CRITICAL AREAS

The proposed project's critical area review has been evaluated under the provisions of Chapter 16.20 PMC that were in effect when the application was determined technically complete on August 14, 2025. Therefore, the project vested to the Critical Areas Ordinance regulations in effect on that date. Subsequent amendments to Chapter 16.20 PMC adopted by the City Council through Ordinance No. 2025-19 on November 19, 2025, are therefore not applicable to the review of this application. Accordingly, all findings, analyses, and recommendations contained within this report related to critical areas, buffers, habitat management, and geologic hazards have been evaluated for consistency with the version of Chapter 16.20 PMC in effect on August 14, 2025.

WETLANDS

The applicant submitted a Critical Area Report and Habitat Management Plan prepared by Sewall Wetland Consulting, Inc., dated July 14, 2025 (Exhibit 5.a), together with subsequent addenda addressing revisions made during technical review, including Critical Area Report Addendum No. 3, dated September 15, 2026 (Exhibit 5.g). Four jurisdictional wetlands, Wetlands A, B, C, and D, were identified on or adjacent to the project site. The revised preliminary plans identify the wetlands and associated critical area buffers throughout the project.

Wetland A is a Category IV wetland located in the southeastern portion of the site near SR 305 and Stream A and is subject to a 50-foot buffer. The applicant proposes limited buffer averaging to accommodate roadway

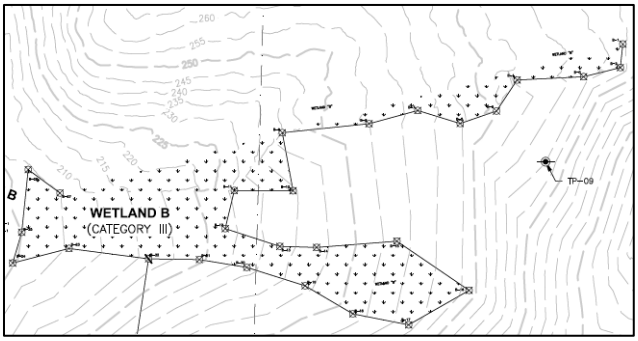
improvements and associated grading. Critical Area Report Addendum No. 3 (Exhibit 5.g) identifies approximately 781 square feet of buffer reduction and 1,018 square feet of buffer addition, resulting in a net increase of approximately 237 square feet of buffer area. The proposed averaging maintains a minimum buffer width of at least 75% of the standard buffer width.

Wetland B is a Category III wetland located within a large topographic depression in the northern portion of the site and extends beyond the project boundaries. It is subject to a 150-foot buffer. Limited buffer averaging is proposed to accommodate the roadway and development layout. Critical Area Report Addendum No. 3 (Exhibit 5.g) identifies approximately 10,833 square feet of buffer reduction and 11,060 square feet of buffer addition, resulting in a net increase of approximately 227 square feet of buffer area. The proposed averaging maintains a minimum buffer width of at least 75% of the standard buffer width.

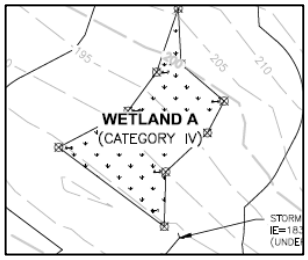
Wetland C is a Category III wetland located adjacent to Barrante's Creek in the northwestern portion of the site. During technical review, the wetland's habitat score and associated buffer requirements were reevaluated, resulting in application of a 150-foot buffer. The applicant subsequently revised the preliminary plans and lot configurations to accommodate the increased buffer.

Wetland D is a Category IV wetland located west of the primary development area and east of Barrante's Creek and is subject to a 50-foot buffer. No direct impacts to Wetland D or its associated wetland buffer are identified in the revised preliminary plans. Proposed improvements affecting nearby streams and associated buffers, including the Stream D stormwater outfall, remain subject to supplemental critical area review and applicable conditions of approval.

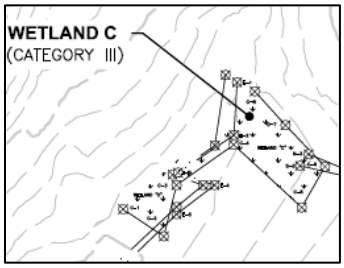
Below: Wetland B



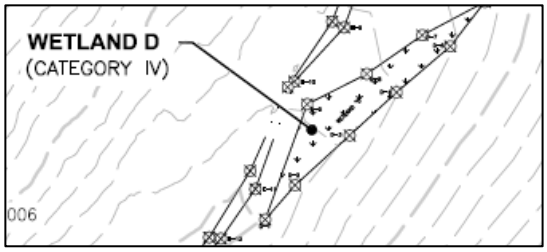
Below: Wetland A



Below: Wetland C



Below: Wetland D

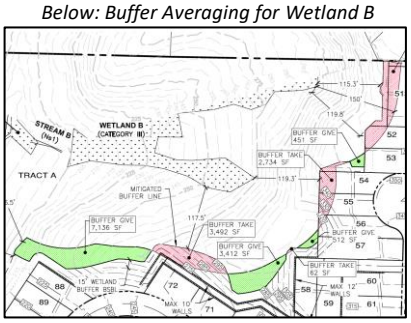


The Critical Area Report, Habitat Management Plan, and subsequent addenda were independently reviewed by the City's third-party critical areas consultant, Grette Associates, a division of Farallon Consulting LLC. Peer review memoranda were issued on August 29, 2025 (Exhibit 5.b), January 8, 2026 (Exhibit 5.d), April 27, 2026 (Exhibit 5.f), and October 14, 2026 (Exhibit 5.h).

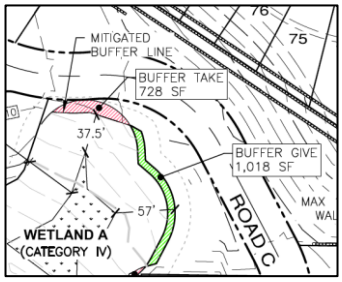
The reviews evaluated wetland delineations and ratings, stream classifications, buffer widths, proposed buffer averaging, impacts associated with roadway and utility improvements, and consistency with Chapter 16.20 PMC. The applicant submitted revised critical area documentation and preliminary plans in response to these reviews, including Critical Area Report Addendum No. 3, dated September 15, 2026 (Exhibit 5.g).

The October 14, 2026, peer review (Exhibit 5.h) identified additional information necessary to support construction-level review of certain critical area improvements, including the proposed utility crossing of Stream A and stormwater outfall within the Stream D buffer. These outstanding matters are addressed through recommended COAs P51 and P52, which require supplemental critical area documentation, mitigation, and independent peer review, as applicable, prior to authorization of the affected improvements. The required Baywatch Court/NR-12 roadway connection is separately addressed through COA P12 and E52.

Below: Buffer Averaging for Wetland B

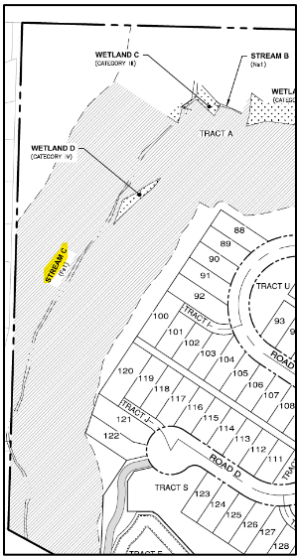


Below: Buffer Averaging for Wetland A



Based on the Critical Area Report and addenda, revised preliminary plans, and independent peer review, staff finds that the wetlands have been adequately delineated and rated and that the proposed wetland buffers and buffer averaging demonstrate compliance with the City's wetland protection standards at the preliminary subdivision stage. Final plans shall maintain the approved wetland and buffer configuration and incorporate all required mitigation, restoration, protection, and monitoring measures.

FISH AND WILDLIFE



The applicant submitted a Critical Area Report and Habitat Management Plan prepared by Sewall Wetland Consulting, Inc., dated July 14, 2025 (Exhibit 5.a), together with subsequent addenda, including Critical Area Report Addendum No. 3, dated September 15, 2026 (Exhibit 5.g). The report identifies four streams on or adjacent to the site, Streams A, B, C, and D, which, together with the site's wetlands and associated buffers, form an interconnected habitat and drainage system. Barrante's Creek (Stream C) (see image right) is the primary stream corridor and extends through the western portion of the property toward Liberty Bay.

The Critical Area Report and Habitat Management Plan were subject to four independent technical reviews by Grette Associates, culminating in the October 14, 2026 peer review (Exhibit 5.h). These reviews evaluated stream classifications, habitat protection requirements, buffer widths, proposed utility and roadway crossings, and consistency with PMC Chapter 16.20. The applicant submitted revised critical area documentation and preliminary plans in response to the City's technical review comments.

A principal issue addressed during technical review was stream classification. The applicant initially classified Barrante's Creek (Stream C) as a Type Ns1 stream with a 75-foot buffer and Streams B and D as Type Ns2 streams with 50-foot buffers. Based on field conditions and site-specific technical information, Grette concluded that Streams B and D should be classified as Type Ns1 and that Barrante's Creek exhibited characteristics consistent with a fish-bearing stream and should be classified as Type F with a 150-foot buffer. The applicant subsequently revised the critical area documentation and preliminary plans to incorporate these classifications and associated buffer requirements. The revisions resulted in modifications to lot configurations, roadway alignments, open space, and critical area and mitigation calculations.

Although the revised documentation addresses several issues identified during technical review, additional evaluation remains necessary for certain proposed improvements affecting streams and associated buffers. These include the Stream A utility crossing, the Stream D stormwater outfall, and the required Baywatch Court roadway and utility connection across Stream C. The final design, extent of critical area disturbance, avoidance and minimization measures, and appropriate mitigation for these improvements have not been fully established through preliminary subdivision review.

The recommended conditions of approval address these outstanding items. COAs P51 and P52 require supplemental critical area analysis and associated mitigation documentation for the identified improvements, including additional independent technical review, as applicable, before authorization of the affected construction activities. The required Baywatch Court connection is separately addressed through COA P12 and COA E52. If the connection to Baywatch is provided or another alternative that impacts a critical area (as conditioned) the applicant must demonstrate compliance with applicable critical area regulations, obtain necessary agency authorizations, and incorporate approved mitigation, restoration, and monitoring requirements into subsequent construction plans. Approval of the preliminary subdivision does not independently authorize critical area impacts or establish approval of the final crossing and outfall designs.

Several proposed residential lots contain portions of required wetland or stream building and impervious-surface setbacks. These include Lots 21–22, 51–57, 72, and 120–122. Development of these lots will be subject to applicable setback, building envelope, and habitat protection requirements, and future building permit applications must demonstrate compliance with these restrictions. COA P50 requires the applicable setbacks and development restrictions to be identified on the final plat, construction drawings, and future building permit plans. COA P46 further requires subsequent project plans to consistently identify the approved stream classifications and associated buffer requirements.

Baywatch Court/Stream C Crossing

The project has also been reviewed for a required roadway and utility connection between the subdivision and Baywatch Court NE (NR-12), which would cross Barrante's Creek (Stream C) and its associated buffer. Earlier conceptual designs identified potential permanent and temporary impacts to the stream and associated buffer, together with potential mitigation measures. However, these estimates remain preliminary and do not establish approved impact limits or mitigation requirements for the crossing.

The applicant submitted Critical Area Report Addendum No. 3, dated September 15, 2026 (Exhibit 5.g), addressing the proposed Stream C crossing and associated critical area considerations. The City also obtained an independent engineering feasibility review from Parametrix, dated September 16, 2026 (Exhibit 9.g), which concluded that a roadway connection could feasibly be designed based on preliminary engineering assumptions. While this review supports the feasibility of the required connection, it does not constitute approval of the final roadway alignment, stream crossing design, or associated critical area impacts.

Based on the City's transportation and emergency access review and independent engineering feasibility analysis, the Baywatch Court/NR-12 connection is required as a condition of preliminary subdivision approval (COAs P12 and E52). Engineering Condition E52 requires construction of the connection with the first division unless sufficient additional mitigation is approved by the City Engineer and Fire Code Official.

Prior to approval of construction plans for the connection, the applicant shall complete supplemental engineering and critical area evaluations in accordance with COAs P51 and P52, including hydraulic, geotechnical, structural, stormwater, and utility analyses, as applicable. Final plans shall identify permanent and temporary critical area impacts, avoidance and minimization measures, mitigation and restoration requirements, monitoring provisions, and necessary state and federal permits. Final design must demonstrate compliance with PMC Chapter 16.20 and all other applicable development regulations before construction authorization.

The site's streams and associated habitat areas have been adequately identified and evaluated for purposes of preliminary subdivision review. Stream classifications and buffers were refined through site-specific investigation and independent peer review and have been incorporated into the revised project design. Although additional technical evaluation and permitting are required for certain improvements, including the Baywatch Court/Stream C crossing, these outstanding requirements are addressed through the recommended conditions of approval. Subject to COAs P44–P52 and E52, staff finds that the proposal can comply with the City's fish and wildlife habitat conservation area regulations.

GEOLOGICALLY HAZARDOUS AREAS

The applicant submitted a series of geotechnical evaluations for the project, including the February 13, 2025, Geotechnical Engineering Report (Exhibit 6.a), June 16, 2025, Addendum (Exhibit 6.b), November 24, 2025, response to third-party review comments (Exhibit 6.d), June 17, 2026, Second Addendum (Exhibit 6.e), and September 9, 2026, supplemental review prepared by Geosyntec Consultants, Inc., successor to Aspect Consulting (Exhibit 6.f). Collectively, these documents evaluate site geology, groundwater, slope stability, grading, retaining walls, roadway and utility construction, stormwater facilities, foundations, and other geotechnical considerations associated with development of the site.

The geotechnical investigation included site reconnaissance, subsurface exploration, groundwater observations, test pits, and geologic evaluation. The site is generally underlain by glacially consolidated Vashon-age and pre-Vashon deposits, with localized perched groundwater conditions. The evaluations also addressed mapped landslide and erosion hazard areas and did not identify evidence of landslide deposits warranting additional geologic hazard setbacks beyond those incorporated into the project design. The project geotechnical consultant concluded that the site can be developed provided the recommendations for grading, drainage, erosion control, foundations, retaining walls, and construction are incorporated into final design and construction.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

The City's third-party geotechnical consultant, HWA GeoSciences, Inc., independently reviewed the geotechnical materials and development plans for compliance with PMC Chapter 16.20 and issued a memorandum dated October 3, 2025 (Exhibit 6.c). HWA requested additional information regarding mapped geologic hazards and setbacks, springs and groundwater conditions, grading limits, critical areas and protected vegetation, professional qualifications, future design changes, and erosion and sediment control. Aspect subsequently provided its November 24, 2025, response and June 17, 2026, Second Addendum addressing those comments and providing additional mapping, clarification, and geotechnical recommendations.

The geotechnical evaluations addressed the proposed retaining wall system, including both cut and fill wall conditions. In its September 9, 2026, (Exhibit 6.f), response, Geosyntec reviewed the current development plans and noted that the planned Lock + Load retaining walls are expected to be less than 12 feet in height. Although final grading design could result in changes to individual wall heights, Geosyntec confirmed that both cut and fill retaining walls up to approximately 20 feet can be supported from a geotechnical standpoint, subject to final engineering and design. The applicant subsequently clarified in its September 16, 2026, Retaining Wall Design & Maintenance and Landscaping Coordination Response (Exhibit 3.b) that the revised grading and wall plan eliminates the previously proposed 35-foot retaining walls and currently limits proposed wall heights to approximately 10 to 12 feet, with walls located within individual lot building setbacks limited to a maximum height of six feet. Final wall type, dimensions, foundations, reinforcement, drainage, and construction details will be established through final engineering and reviewed with the civil construction and grading plans (COAs P53-P61).

The proposed retaining wall system also creates locations where grade separation may present a pedestrian fall hazard. During technical review, Engineering identified the need for fencing, guards, railings, or other approved fall-protection measures where retaining walls create a pedestrian fall hazard. The applicant acknowledged this requirement and indicated that the necessary fall protection would be addressed through final plat engineering. Final retaining wall and civil construction plans will therefore be required to identify locations requiring fall protection and provide appropriate protective measures meeting applicable pedestrian loading and safety requirements (P61).

Following revisions to the preliminary subdivision and civil plans, Geosyntec reviewed the current development configuration and confirmed that the revised grading, retaining walls, roadway improvements, stormwater facilities, and associated infrastructure remain consistent with its prior geotechnical recommendations. Geosyntec identified no changes to the overall recommendations contained in its previous geotechnical evaluations.

The revised wall plan also provides for HOA ownership and maintenance of retaining walls supporting private development, permanent access easements for inspection, maintenance, repair, and replacement, and coordination of wall locations with critical areas, utilities, drainage facilities, and landscaping (COAs P59-P60).

The Engineering Department's Conditions of Approval establish additional requirements for final retaining wall design, construction, safety, and maintenance. COA E49 requires vehicle restraint and/or guardrails where retaining walls create significant hazards, with locations and designs subject to City Engineer approval. COA E56 prohibits retaining walls and associated structural reinforcement within public rights-of-way and utility easements. COA E57 requires retaining walls constructed near adjoining properties to comply with applicable International Building Code requirements for protection of adjoining properties, including notification and construction safeguards. COA E58 requires ownership and maintenance responsibilities for retaining walls shared between lots to be established through plat provisions and recorded maintenance agreements.

These requirements supplement the Planning Conditions of Approval addressing geotechnical design, wall ownership, maintenance, access, and pedestrian fall protection. Final wall designs shall be coordinated with grading, utilities, critical areas, landscaping, and adjacent property improvements before construction authorization.

The geotechnical record provides sufficient information at the preliminary subdivision stage to demonstrate that the site is generally capable of supporting the proposed development, subject to final engineering and implementation of the geotechnical recommendations and conditions of approval. Final civil and grading plans must incorporate the applicable geotechnical recommendations, including final design of retaining walls, foundations, drainage, grading, roadways, utilities, and related improvements; provide for geotechnical construction observation where required; and establish appropriate ownership, maintenance, and access provisions for retaining walls. Supplemental geotechnical evaluation will be required if final design modifications or field conditions materially differ from those evaluated in the approved geotechnical documents (COA P53–

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

P61). The Engineering/Public Works Conditions (Exhibit 1.a) additionally require compliance with the recommendations of the applicant's geotechnical engineer and City consultants and authorize additional independent technical review when determined necessary by the City Engineer.

AQUIFER RECHARGE AREA OF CONCERN

The project site is located within an Aquifer Recharge Area of Concern (ARAC) as designated by PMC Chapter 16.20. Aquifer recharge areas are critical areas that provide a significant recharge source for groundwater resources and public drinking water supplies. ARAC designation is generally associated with highly permeable soils, shallow groundwater conditions, groundwater recharge functions, and the presence of public and private drinking water wells.

Groundwater conditions on the site are closely linked to the hydrologic functions of several critical areas, including Wetlands A, B, and C and their associated stream corridors. The applicant's geotechnical investigations identified localized perched groundwater conditions across portions of the site and concluded that large-scale stormwater infiltration may be constrained in certain locations due to groundwater conditions and underlying glacially consolidated soils. As a result, the proposed stormwater management approach relies on a combination of detention, treatment, and localized dispersion practices designed to maintain pre-developed hydrologic conditions while protecting groundwater resources and adjacent critical areas.

Pursuant to PMC 16.20.510(B), Aquifer Recharge Areas of Concern require additional review when applicants propose activities identified in PMC Table 16.20.515 as having the potential to adversely affect groundwater quality. The proposed use is residential development, which is not identified as a land use or activity requiring preparation of a hydrogeologic report under Table 16.20.515. Accordingly, a hydrogeologic report was not required as part of this application.

As part of the review process, staff identified an existing Group B public water system well located adjacent to the northern portion of the site. Kitsap Public Health District (KPHD) submitted comments regarding the well and confirmed that the well's 100-foot sanitary control radius extends onto portions of the proposed subdivision, affecting Lots 46 through 49. Development within the sanitary control area is regulated by KPHD Drinking Water Supply Regulations and may restrict future development of those lots while the well remains classified as an active public water system.

KPHD further noted that the applicability of the 100-foot sanitary control radius is directly tied to the well's classification as a public water system. According to KPHD, the development restrictions would remain in place until such time as the water supply is no longer classified as a public water system by KPHD or the well is formally decommissioned. KPHD also noted that future development of the affected lots may depend on actions outside the applicant's control, including whether existing users of the water system elect to connect to the City's water system and whether the existing well is subsequently reclassified or decommissioned.

In response to KPHD's comments and subsequent coordination between the applicant, staff, and KPHD, staff has recommended conditions of approval requiring the sanitary control area to be identified on the final plat, restrictive language approved by KPHD to be recorded with the plat, and verification of compliance with applicable KPHD regulations prior to issuance of building permits for Lots 46 through 49. The recommended conditions ensure that future property owners are informed of the restrictions associated with the sanitary control area and that no vertical construction occurs on the affected lots unless and until the applicable KPHD requirements have been satisfied (COA P62).

With implementation of the recommended COA P62, staff finds that the proposal can comply with the City's Aquifer Recharge Area regulations and applicable drinking water protection requirements. The proposed residential use is not identified as a groundwater-threat activity under PMC Chapter 16.20, and the recommended plat restrictions and future permit review requirements provide an appropriate mechanism for protecting the existing public water supply well and associated sanitary control area while preserving the potential for future development should the well no longer be classified as a public water system.

Recommended Critical Areas Finding: Subject to Conditions of Approval P44 through P62, staff finds that the proposal can comply with the applicable critical area requirements of PMC Chapter 16.20. The recommended conditions require recording of critical area notices and easements; field staking and protection of critical area buffers and setbacks; implementation of approved habitat management and geotechnical recommendations; supplemental technical review and permitting for improvements affecting critical areas; restoration of unauthorized impacts; long-term protection of retained vegetation and tree retention areas; and final geotechnical and structural design, construction oversight, ownership, maintenance, and permanent access

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

provisions for the proposed retaining wall system. Collectively, these conditions establish requirements to protect wetlands, streams, fish and wildlife habitat conservation areas, geologically hazardous areas, and their associated buffers during construction and future development. Final compliance with applicable critical area regulations shall be demonstrated through subsequent construction plan review, required permits, and implementation of the conditions of approval.

Staff further finds that compliance with the City's geologically hazardous area regulations is contingent upon implementation of the approved geotechnical recommendations and completion of final retaining wall design consistent with those recommendations and applicable City requirements. The preliminary plans identify retaining walls necessary to accommodate the proposed grading, roadway construction, and residential development. Final wall locations, heights, types, foundations, drainage systems, fall-protection measures, and other structural and safety details shall be established through final engineering and reviewed through the applicable civil construction, grading, and building permit processes. Required geotechnical oversight, inspections, fall protection, ownership, maintenance responsibilities, and permanent access provisions shall be implemented in accordance with the conditions of approval.

IV. PMC TITLE 17 LAND DIVISION ORDINANCE

The Land Division Ordinance provides that the review authority may approve a proposed preliminary subdivision only if criteria PMC 17.60.040 are found met, or specified conditions have been issued to satisfy the criteria. The Planning Commission is tasked with making a recommendation to the review authority.

A. PMC 17.60.040 Decision criteria.

1. The proposed preliminary subdivision conforms to the requirements of this title.

   Staff Comment. Staff finds that, with the recommended conditions of approval, the proposed subdivision conforms to the applicable requirements of PMC Title 17. The preliminary subdivision does not depict the required public roadway connection to Baywatch Court NE; however, the Engineering Department has determined that the connection is necessary to satisfy applicable street connectivity, circulation, and emergency access requirements. Because PMC 17.60.040 permits approval where specified conditions fully satisfy otherwise unmet preliminary subdivision criteria, staff does not find that the absence of the connection from the submitted preliminary subdivision requires denial. Rather, construction of the Baywatch Court/NR-12 connection is imposed as a condition necessary to satisfy the applicable street connectivity, circulation, and emergency-access criteria (COAs P12 and E52).

   The City obtained an independent engineering review from Parametrix dated September 16, 2026 (Exhibit 9.g), which concluded that a connector roadway from Baywatch Court NE to the proposed development is feasible at the preliminary design level. Final design of the connection remains subject to additional engineering, critical-area review, stream assessment, permitting, and approval by the City Engineer and Fire Code Official.

   Subject to construction of the required Baywatch Court connection and compliance with the remaining conditions of approval, staff finds that the subdivision can provide for safe, orderly, and efficient circulation, neighborhood connectivity, and emergency access consistent with applicable requirements of PMC Title 17. Accordingly, this criterion is satisfied as conditioned.

2. The proposed preliminary subdivision conforms to the site requirements for the zoning districts in which the property is located and/or other applicable zoning provisions.

   Staff Comment. The subject property is zoned Residential Low (RL) and is proposed to be developed as a Planned Residential Development pursuant to PMC Chapter 18.260. The proposed lot layout, density, setbacks, open space, critical area protection measures, and infrastructure improvements have been reviewed for consistency with the applicable provisions of PMC Title 18. Compliance with zoning and PRD requirements is discussed in V.C. in this staff report. Subject to the recommended conditions of approval, staff finds this criterion can be met.

3. The proposed preliminary subdivision:

   a. Makes adequate provision for streets, roads, alleys, other public ways, and transit stops as required; and the proposed street system provides for the safe, orderly and efficient circulation of traffic.

Staff Comment. The proposed subdivision includes an internal public street network consisting of Roads A through D, with access to the existing public street system through NE Crystallia Court and Sunrise Ridge Avenue NE. The preliminary subdivision does not depict a public street connection to Baywatch Court NE.

The City's adopted Comprehensive Plan, Figure TR-3: 2044 New Roadway Segments and Transportation Comprehensive Plan identifies NR-12 as a future roadway connection between the Sunrise Ridge roadway system and Baywatch Court NE. During review, the Engineering Department determined that this connection is necessary to provide appropriate neighborhood connectivity, roadway redundancy, and circulation consistent with PMC 17.80.050 and PMC 17.80.060.

The applicant submitted technical analyses asserting that construction of the connection across Stream C was infeasible. The City subsequently retained Parametrix to conduct an independent engineering review. In its September 16, 2026, memorandum (Exhibit 9.g), Parametrix concluded that a connector roadway from Baywatch Court NE to the proposed development is feasible based upon reasonable preliminary design assumptions. The conceptual analysis demonstrates feasibility but does not constitute approval of the final roadway or stream-crossing design.

Accordingly, staff has recommended conditions requiring the applicant to design, permit, and construct the Baywatch Court/NR-12 connection (COAs P12 and E52). The connection shall be constructed with the first division unless sufficient additional mitigation is approved by the City Engineer and Fire Code Official. Final design shall be subject to City Engineer approval and shall comply with applicable roadway, critical area, fish passage, stormwater, geotechnical, structural, and emergency-access requirements.

COA E50 additionally requires completion of Sunrise Ridge Avenue NE frontage improvements connecting the existing Crystal View neighborhood improvements to Johnson Parkway. COA E51 requires provision for a future street connection to adjacent parcel 252601-2-034-2002. Together, these requirements provide for completion of necessary roadway improvements and preservation of future connectivity consistent with the City's adopted transportation network.

Subject to construction of the required Baywatch Court/NR-12 connection and compliance with the conditions of approval, staff finds that adequate provision can be made for streets and public ways and that the street system will provide for the safe, orderly, and efficient circulation of traffic. This criterion is satisfied as conditioned.

b. Will be adequately served with water, sewer, storm drainage, and other utilities appropriate to the nature of the subdivision, and meets all current and applicable standards.

Staff Comment. The applicant proposes extension of public water, sanitary sewer, stormwater, and franchise utility infrastructure throughout the subdivision. The proposed systems have been evaluated by the City's Engineering and Public Works Departments, together with independent technical reviewers, and are subject to final design and construction approval.

The Public Works COAs require water main connections to the existing eight-inch mains in NE Crystallia Court, Baywatch Court NE, and Johnson Parkway NE, together with provisions for future water system looping to the northeast from Sunrise Ridge (PW5). Two mainline pressure-reducing valve stations are also required, with detailed design and City acceptance prior to issuance of the grading permit (PW8). The sanitary sewer system must provide gravity service to all lots, with connections to the existing eight-inch sewer mains in Sunrise Ridge NE and Baywatch Court NE (PW19).

Public Works has determined that sufficient water supply is presently available to serve the development, subject to verification of water availability at the time of building permit application. Available sewer capacity must likewise be verified before issuance of building permits (PW1 and PW2). Preliminary subdivision approval does not guarantee future utility capacity or reserve utility connections.

The proposed stormwater facilities shall be designed and constructed in accordance with applicable City standards, including requirements for final drainage analysis, temporary erosion and sediment control, maintenance access, impervious-surface accounting, and long-term ownership and maintenance. Final stormwater facility design and construction shall comply with COA s E17 through E29 and PW30 and PW31.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

The Engineering and Public Works COAs establish additional requirements for final stormwater design, construction, and long-term maintenance. COAs E20 through E23 require final drainage and geotechnical reports, temporary erosion and sediment control plans, and applicable stormwater permitting prior to grading. COA E25 requires lot-specific impervious-surface allowances, including an additional 200 square feet per lot beyond the proposed design impervious area to accommodate potential future improvements, with the city tracking during building permit review and the HOA responsible for tracking impervious surface coverage following final plat approval.

COAs E26 through E29 establish requirements for stormwater facility maintenance, pond fencing, spill control, and private drainage systems. COAs PW30 and PW31 further address stormwater tract ownership, easements, and long-term maintenance responsibilities.

These conditions provide for detailed review of the final stormwater design and establish requirements for construction, operation, and maintenance of the proposed facilities. Subject to compliance with these conditions and applicable City stormwater standards, staff finds that adequate provisions can be made for storm drainage. This criterion is satisfied as conditioned.

COA E10 requires each subdivision phase to have complete and independently functioning utilities and access, including any necessary off-site infrastructure, before final plat approval. Utility improvements associated with the required Baywatch Court/NR-12 connection shall be incorporated into the final engineering plans, together with any required critical area review, agency permitting, and easements.

Subject to compliance with the Engineering and Public Works COAs and applicable City standards, staff finds that adequate provisions can be made for domestic water, sanitary sewer, stormwater management, and other public utilities and services. This criterion is satisfied as conditioned.

c. Makes adequate provision for parks, recreation and playgrounds, as required.

Staff Comment. The proposal includes recreation tracts, pedestrian pathways, and open space areas, intended to serve future residents. Recreational amenities are proposed throughout the subdivision and are reviewed in greater detail within the Planned Residential Development section of this report – V.C. In addition, park impact fees will be collected at the time of Certificate of Occupancy in accordance with City regulations (COA P6). Subject to the conditions of approval, staff finds adequate provision has been made for parks and recreation.

d. Makes adequate provision for schools and school grounds, as required.

Staff Comment. The proposed subdivision is located within the North Kitsap School District, which was provided notice of the application and afforded the opportunity to comment. The City does not impose or collect school impact fees. No comments were received from the School District indicating that the proposed subdivision would create impacts that could not be accommodated through existing facilities Staff finds adequate provision has been made for schools and school grounds.

e. Makes adequate provisions for sidewalks and other planning features that provide safe walking conditions for students who walk to and from school.

Staff Comment. Sidewalks are proposed throughout the subdivision consistent with City standards and will connect to existing and future pedestrian facilities. Internal pedestrian connections, public sidewalks, and pedestrian pathways provide opportunities for safe pedestrian movement throughout the site and to surrounding neighborhoods. Subject to conditions of approval, staff finds adequate provision has been made for pedestrian circulation and student safety.

f. Makes adequate provisions for critical area protection pursuant to Chapter 16.20 PMC.

Staff Comment. The site contains wetlands, streams, associated buffers, geologically hazardous areas, and wildlife habitat conservation areas regulated under PMC Chapter 16.20. The applicant submitted wetland, habitat, geotechnical, and critical area reports that were reviewed by City staff and third-party consultants. The proposal has undergone multiple revisions in response to agency and peer review comments, including modifications to stream classifications, critical area buffers, lot layouts, roadway alignments, mitigation measures, and habitat protection areas. Subject to

compliance with conditions of approval, staff finds adequate provision has been made for critical area protection.

g. Makes adequate provisions for fire and emergency access and protection.

Staff Comment. The project contains substantial elevation changes, sustained roadway grades, retaining walls, and other topographic constraints that make redundant emergency access particularly important. The Fire Code Official reviewed the proposed access configuration and determined that the development requires two separate and approved fire apparatus access roads pursuant to IFC D107.1 and that the access points shown on the preliminary subdivision do not satisfy the remoteness requirement of IFC D107.2. The Fire Code Official identified a connection to the Baywatch subdivision as necessary to provide the required secondary access and emergency egress. The Fire Code Official further determined that the two access points depicted on the submitted preliminary subdivision do not satisfy the remoteness requirement of IFC D107.2 (Exhibit 9.p).

Poulsbo Fire Department also evaluated the roadway system from an operational emergency-response perspective. The Department concluded that the Baywatch connection would provide measurable operational benefits by providing an alternate approach if Sunrise Ridge Avenue NE is obstructed, reducing reliance on a single topographically constrained corridor, improving access and egress for the western portion of the development, and increasing operational flexibility for fire, emergency medical, law enforcement, evacuation, and utility response (Exhibit 9.o).

The City additionally obtained an independent engineering review confirming that a roadway connection between Baywatch Court NE and the proposed development is feasible at the preliminary design level (Exhibit 9.g).

Construction of the Baywatch Court/NR-12 connection is required as a condition of approval pursuant to COAs E52 and P12. The connection shall be constructed with the first division unless sufficient additional mitigation is approved by the City Engineer and Fire Code Official. Final design shall demonstrate compliance with applicable fire apparatus access, roadway separation, geometry, grades, structural capacity, and emergency-access requirements.

COA E10 further requires each division to provide complete and independently functioning access and infrastructure before final plat approval. Subject to implementation of these conditions and approval by the City Engineer and Fire Code Official, staff finds that adequate provision can be made for fire protection and emergency access. This criterion is satisfied as conditioned.

h. Serves the public interest and makes appropriate provisions for the public health, safety, and welfare.

Staff Comment. The proposed subdivision provides public infrastructure, utilities, transportation improvements, open space, recreational opportunities, environmental protection measures, and other facilities necessary to serve the development. The site presents constraints associated with steep topography, critical areas, grading, retaining walls, and roadway access; however, these issues have been evaluated through the applicant's technical studies, City review, independent peer review, SEPA review, and review by the City's Fire Code Official (Exhibit 9.p) and emergency-service provider (Exhibit 9.o).

The conditions of approval require construction of the Baywatch Court/NR-12 roadway connection, final engineering and geotechnical review, critical-area protection and mitigation, stormwater controls, utility improvements, and compliance with applicable emergency-access requirements. With implementation of these conditions, staff finds that the proposed subdivision makes appropriate provisions for the public health, safety, and welfare and serves the public interest. This criterion is satisfied as conditioned.

B. If the findings in subsection A of this section have not been met, the review authority shall deny the proposed preliminary subdivision, unless specified conditions have been issued to fully satisfy the criteria.

Staff Comment. Staff finds that all applicable decision criteria of PMC 17.60.040 can be satisfied through the recommended conditions of approval. The required Baywatch Court/NR-12 roadway connection addresses the identified circulation, connectivity, and emergency-access requirements. The City's independent engineering review confirms that the connection is feasible at the preliminary design level

(Exhibit 9.g), while final design and permitting will be completed through subsequent engineering, critical-area, and construction review. Accordingly, staff finds that the findings required by subsection A are satisfied as conditioned and denial pursuant to subsection B is not warranted.

C. Where a preliminary subdivision is to be developed in divisions with a final subdivision approved and recorded separately for each division, the applicant shall request approval of divisions as part of the preliminary subdivision application. Each separate division shall be required to meet the requirements of subsection A of this section and all other applicable city codes when considered independently from any other division. When an applicant requests divisions after preliminary subdivision approval has been granted but prior to recording, divisions may be approved only through modification of the preliminary subdivision as set forth in PMC 17.60.070.

Staff Comment. The applicant proposes development of the subdivision in three phases. The phasing plan (Exhibit 2.b) was submitted as part of the preliminary subdivision application. Each phase will be required to independently satisfy applicable City standards, infrastructure requirements, utility service requirements, and conditions of approval at the time of final subdivision review.

The Engineering Department evaluated the proposed three-phase development plan pursuant to PMC 17.60.040(C), including the availability of complete infrastructure and adequate emergency access for each division. Construction sequencing and the timing of the Baywatch Court/NR-12 connection shall comply with the Engineering Department's conditions of approval. No final plat division may be approved unless the infrastructure and access necessary to allow that division to function independently have been completed or otherwise satisfied as specifically authorized by the conditions of approval. Subject to these requirements, staff finds that the proposed phasing plan satisfies PMC 17.60.040(C).

COA E10 requires each proposed division to function independently, with complete access, utilities, and all necessary supporting infrastructure, including off-site improvements, installed before final plat approval of that division. COA E52 requires the Baywatch Court/NR-12 connection to be constructed with the first division unless sufficient additional mitigation is approved by the City Engineer and Fire Code Official. Each division shall demonstrate compliance with applicable roadway connectivity, emergency access, fire code, water system looping, and infrastructure requirements prior to final plat approval. Phasing shall not defer improvements necessary for a division to function independently or satisfy applicable development requirements.

V. PMC TITLE 18 ZONING ORDINANCE

The Zoning Ordinance contains regulations to manage the community's growth in a manner that ensures efficient use of land, preserves regulated critical areas, and encourages good urban design. The code supports the vision of the city and is designed to implement the comprehensive plan, and by reference, the requirements of the Washington State Growth Management Act (GMA, RCW 36.70A).

A. PMC Chapter 18.70 Residential Districts

The Residential Low (RL) District provides for residential areas of low urban densities of four to five dwelling units per acre, and permits compatible, related activities. This district recognizes, maintains, and protects established low urban density residential areas, creates residential areas that promote neighborhood livability, provides for additional related uses such as schools, parks, and utilities necessary to serve immediate residential areas, and serve as the primary zoning district for single-family detached residences.

Staff Comment. The RL district permits identified uses, provides maximum building height and established development standards for lot size, density, setbacks, and building lot coverage for the district. The proposed subdivision is subject to the requirements of the RL district (PMC 18.70.050) where Planned Residential Development (PRD) requirements (PMC 18.260) are silent. Placement of homes on lots shall meet the combined RL and PRD standards.

1. PMC 18.70.030 Uses. A variety of residential uses are provided in the RL zone as permitted and conditionally permitted (PMC 18.70.030). Any use consistent with the comprehensive plan and uses permitted in the underlying zoning designation will be permitted in PRDs in accordance with the approved development plan (PMC 18.260.030).

   Staff Comment. Single-family detached residential development is a permitted use within the RL zoning district and may be developed through the PRD process. The proposed subdivision consists of detached

single-family residential lots and associated infrastructure. The proposed use is consistent with the underlying RL zoning designation and applicable PRD provisions.

2. PMC 18.70.040 Minimum and maximum density. Maximum density of 5 dwelling units per gross acre and minimum density of 4 dwelling units per net acre are established in the RL district to ensure implementation of the city's adopted comprehensive plan for planned densities in the residential zoning districts. When the minimum or maximum density results in a fraction of a unit, the density shall be rounded to the nearest whole number.

   Staff Comment. Minimum and maximum density requirements are met by the proposal.

   Maximum Density (5 Units/Gross Acres) 130 Units proposed / 41.41 gross acres = 3.14

   Minimum Density (4 Units/Net Acres) 130 Units Proposed / 18.53 net acres = 7.01

   Based on the total site area of 41.41 acres and the maximum permitted density of five dwelling units per acre, the property could accommodate up to 207 residential lots. However, due to site constraints, including topography, critical areas, and associated development limitations, the applicant proposes 130 residential lots, substantially below the maximum permitted density.

3. PMC 18.70.050 Development standards in the RL zone.

   a. Lot Requirements. Lot requirements for the RL district are established in Table 18.70.050 Residential Low (RL) District Development Standards.

      Staff Comment. PRD regulations provide modification of development standards. Standards are reviewed in Section V. C below.

   b. Street Trees. Street trees are required for all new residential developments according to PMC 18.130.090. The section requires street trees and related landscaping provided forty feet on center for arterials and thirty feet on center for collectors. Approved groundcover, such as sod, shall be provided. Tree species is indicated in the city's master street tree plan. An alternative may be approved by the review authority.

      Staff Comment. Preliminary landscape plans (Exhibit 3.a) identify street trees throughout the development consistent with the requirements of PMC 18.130.090 and the City's Master Street Tree Plan. Final species selection, spacing, and installation details shall be reviewed and approved during Tree Cutting and Clearing review (COA P17).

4. PMC 18.70.070 Additional standards and provisions for R zoning districts. A variety of features common in residential areas require further review to determine compatibility in the RL zone. Features include fences and recreational vehicles, watercraft and utility trailers.

   Staff Comment. The proposed subdivision does not include recreational vehicle storage areas, utility trailer storage areas, or fencing subject to review under this section at the preliminary subdivision stage. Any future development of individual lots shall comply with applicable residential district standards at the time of building permit review.

5. PMC 18.70.080 Parking. Two off-street parking spaces are required for single-family residential development. (PMC 18.70.080). Spaces are required on the same site as the use and may be located in the front yard setback. (PMC 18.140.035).

   Staff Comment. It is anticipated that the houses to be built will provide the required parking in individual garages and driveways. Compliance with the applicable off-street parking requirements will be reviewed with each building permit application (COA P5).

6. PMC 18.70.090 Signage. Residential developments are permitted one freestanding sign per entrance/exit from a public street. The freestanding sign may be a maximum 25 square feet and 5 feet in height. Only external lighting is permitted.

   Staff Comment. Any subdivision entry signage shall comply with the requirements of PMC 18.70.090 and requires a permit. Final sign design, dimensions, lighting, and placement will be reviewed through applicable permit processes prior to installation.

Recommended Finding. The proposal is consistent with the permitted uses, density requirements, and applicable development standards of the Residential Low (RL) zoning district, subject to the conditions of approval. Staff finds that the applicable zoning requirements are satisfied as conditioned.

B. PMC 18.180 Tree Retention

The City tree retention requirement is intended to preserve and retain clusters of existing trees that contribute to the community character; maintain and protect property values; enhance visual appearance of the city; reduce the impacts of development on the storm drainage system and water resources; and provide better transition between the various land uses permitted. Retention of trees must be evaluated with new development in the RL district.

Staff Comment. The subject site is currently undeveloped and consists primarily of forested vegetation, wetlands, stream corridors, and associated critical area buffers. The proposed subdivision has been designed to retain substantial portions of the site's existing vegetation within critical area tracts, open space tracts, and buffer areas that will remain undeveloped and protected from future disturbance. The proposal preserves large contiguous areas of existing forest within critical area tracts A through D, and other open space a tracts throughout the development. The preliminary plans also include tree protection measures and identify retained vegetation areas outside the limits of clearing and grading.

The City's contract arborist reviewed the Washington Forestry Consultants Tree Retention Plan, Site and Grading Plans, and Landscape Plans and generally concurred with the applicant's methodology for evaluating existing vegetation and determining significant tree counts. The arborist identified concerns regarding the health and long-term viability of certain trees within several retained tracts and recommended that the project arborist reevaluate significant tree counts and potential hazard trees once clearing limits are established and again during construction. The arborist also recommended additional plan details regarding tree protection fencing, inspection requirements, and coordination of pedestrian pathway construction within retained vegetation areas. Despite these concerns, the arborist concluded that the project appears capable of meeting the City's minimum tree retention requirements.

Staff recommends COAs P17-P25, requiring installation of tree protection fencing prior to clearing and grading activities, ongoing monitoring by the project arborist, reevaluation of retained trees adjacent to development areas, and implementation of all arborist recommendations related to tree protection and pedestrian pathway construction. Additional independent peer review of the final tree retention and protection measures will be conducted in conjunction with the required Tree Cutting and Clearing Permit application, when final clearing limits, grading, tree protection measures, and construction-level plans are available for review. Subject to these conditions and subsequent permit review, the proposal satisfies the intent and requirements of PMC 18.180.

Recommended Finding. The proposal, as conditioned, meets the tree retention requirements of PMC 18.180.

C. PMC 18.260 Planned Residential Developments

Planned Residential Development (PRD) is provided to encourage creative and superior site design in residential zones which also promotes the preservation of open space in such development by permitting greater flexibility in zoning requirements than is permitted by other residential development options, while ensuring compliance with the goals and policies of the Poulsbo comprehensive plan. PRD implements the City's comprehensive plan and Washington's Growth Management Act and: provides flexibility in lot size and design to enable development to attempt to achieve the zoned density; provides flexibility in design for creative site planning and superior residential subdivision developments; preserves and protects critical areas and their buffers; provides open space and recreational opportunities and other benefit features for development occupants; encourages preservation of cultural, scenic or natural features; encourages diversity of housing units and types between neighborhoods; provides for maximizing efficiency of street layout, utility networks, and other public improvements; and preserves and retains groups of trees.

1. PMC 18.260.030 Uses permitted. Any use consistent with the comprehensive plan and uses permitted in the underlying zoning designation will be permitted in planned residential developments in accordance with the approved development plan.

   Staff Comment. Table 18.70.030, Residential District Uses, identifies permitted, conditionally permitted, and prohibited uses in the RL zone. Dwelling, single-family is a permitted use and PRD is a permitted use subject to provisions of Chapter 18.260 PMC.

2. PMC 18.260.040 Size of planned residential development. A tract of land to be developed as a PRD shall have a minimum of three acres. Exceptions for smaller land area is provided.

   Staff Comment. The site is 41.41 acres.

3. PMC 18.260.050 Modification of development standards. The City's standard development regulations may be modified for a PRD; all other development standards shall be as set forth in the underlying zoning district.

   Staff Comment. The applicant proposes development under the PRD provisions, which allow flexibility in lot size, setbacks, street design, and open space configuration while maintaining consistency with the Comprehensive Plan and underlying RL zoning district. The proposal includes reduced lot sizes and modified setbacks consistent with the PRD standards. No residential density bonus is requested. The project remains subject to all other applicable development standards except where specifically modified through the PRD provisions.

RL Development Standards and PRD Modification of Development Standards Combined			
Development Standard	RL zone (PMC 18.70.050.A)	PRD (PMC 18.260.050	Project Proposal
Minimum Density	4 dwelling unit/net acres	Per underlying zoning district	7..01
Maximum Density	5 dwelling unit/gross acres		3.14
Minimum Lot Size/Area	7,500 SF	3,750 SF	Minimum lot area 3,753 Average lot area 4,325
Minimum Lot Width	60 feet at the midpoint of lot	30 feet	~40 feet
Maximum Lot Coverage	50 percent		To be reviewed with building permit (COA P5)
Front Yard Setback*	20 feet	10 feet	
Rear Yard Setback*	10 feet	5 feet	
Side Yard Setback*	5 feet with a combined total of 15 feet	5 feet	
Street Corner Yard	10 feet (or greater if necessary, for sight distance)		
Maximum Building Height	No building or structure may exceed 35 feet in height.		
** Additional building setback may be required per adopted Building Code*			

4. PMC 18.260.060 PRD development standards.

   a. Lot Sizes. When a PRD subdivision has an average lot size of four thousand square feet or less, a variety of lot sizes are desired to provide for market variety, clustering and creativity.

      Staff Comment. As proposed the average lot size is 4,325 square feet. Lot size variation is not required.

   b. Alleys. If a unit abuts an alley, the garage shall take access from the alley whenever possible.

      Staff Comment. The development has no alleys.

   c. Privacy. Dwellings on lots without direct frontage on a public street should be situated to respect the privacy of abutting homes and to create usable private yard space for the dwelling(s). The review authority shall have the ability/discretion during the review process to establish alternate setbacks in order to accomplish this objective.

      Staff Comment. All proposed dwelling units front onto public streets and are arranged in a traditional subdivision pattern. Building setbacks, lot orientation, and open space tracts provide separation between homes and adjacent properties. The proposal has been designed to provide usable private yard areas while minimizing direct impacts to neighboring residential development.

   d. Project Design. Site design for the entire project (including open space areas, recreational amenities, any attached units and/or condominium areas, and building architectural renderings) shall be submitted in support of the proposed PRD. The renderings shall include possible footprint locations and housing elevations or generally identified architectural style. Open space areas and preliminary location of active recreational amenities, pedestrian pathways, conceptual landscaping and other amenities shall also be identified.

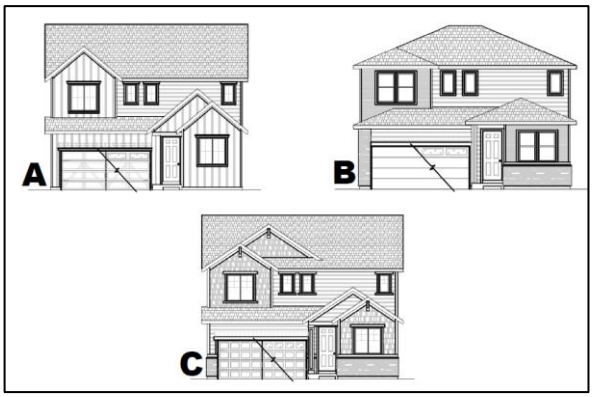
Staff Comment. The applicant submitted a comprehensive PRD design package including a Preliminary Subdivision, Infrastructure Plans, Landscape and Open Space Plans, Phasing Plan, Individual Identity Plan, and conceptual housing elevations. The plans identify proposed lot layouts, open space tracts, pedestrian connections, recreational amenities, landscaping, tree retention areas, and architectural concepts as required by PMC 18.260.060(D). The project includes 130 detached single-family lots on approximately 41.4 acres.

e. Architectural Variety. Architectural variety shall be achieved through the following methods:

The PRD standards require homes to be oriented toward public streets with prominent front entries, windows, and doors facing the street. Architectural variety must be achieved through a mix of home elevations, roof forms, building materials, colors, and design features to avoid repetitive streetscapes, with developments containing seventy or more homes required to provide at least seven distinct façade elevations. Garage-dominated frontages are discouraged and must incorporate additional architectural elements such as covered porches, dormers, decorative garage doors, trellises, or other façade enhancements. Identical home plans may not be placed on consecutive lots. Compliance with the approved conceptual architectural renderings and architectural variety standards will be reviewed during building permit review, with modifications permitted where site topography warrants flexibility

Staff Comment. The Individual Identity Plan (Exhibit 4) demonstrates compliance with the PRD architectural variety requirements through the use of multiple home plans, elevations, roof forms, color schemes, and architectural details distributed throughout the development. The proposal includes more than the minimum seven distinct façade elevations required for developments containing seventy or more homes. Architectural features include varied rooflines, covered entry porches, window configurations, trim details, building massing, and garage treatments intended to create visual interest and avoid repetitive streetscapes. The Individual Identity Plan establishes a framework for distributing home plans and elevations throughout the development to prevent identical elevations on adjacent lots and avoid repetitive streetscapes. Compliance with the approved Individual Identity Plan and applicable architectural variety standards shall be verified during building permit review in accordance with COAs P40–P42.

Below: example of 1 floor plan, with 3 different rooflines.



f. Landscaping. Landscaping in a minimum fifteen-foot-wide strip shall be provided on site and visible along all public street frontage classified as a neighborhood collector. The landscaping can be provided through a landscape easement on lots, with a notice on title of the existence of such protected landscaping area against the property with the Kitsap County auditor's office. The notice shall be approved by the director for compliance with this provision. If the landscaping is provided in an open space tract and maintained by a homeowners' association, it may contribute to the project's open space requirement.

Staff Comment. The proposal includes extensive landscaping throughout the development, including street trees, perimeter and right-of-way landscaping, landscaped open space and recreational areas, stormwater facility landscaping, critical area enhancement areas, and supplemental plantings associated with the project's tree retention and replacement requirements. The Preliminary Landscape, Recreation, and Open Space Plan (Exhibit 3.a) identifies street trees throughout the internal roadway system and provides a conceptual plant palette and landscaping

for the project's open space and amenity tracts. Street tree locations and quantities shown on the preliminary plans are approximate and will be adjusted as necessary to accommodate final driveway and utility locations. Final landscape and irrigation plans will be reviewed through subsequent Tree Cutting and Clearing (TCC), grading, and civil plan review and shall remain substantially consistent with the approved preliminary plans.

The City recently adopted Ordinance No. 2026-11, repealing and replacing PMC Chapter 13.12 to establish updated irrigation regulations and water-conservation requirements. The purpose of PMC Chapter 13.12 is to conserve the City's water resources and prioritize water availability for domestic, commercial, and emergency consumption over irrigation use. Accordingly, landscaping and irrigation associated with the development shall be designed, installed, operated, and maintained in compliance with PMC Chapter 13.12 and other applicable City landscaping and irrigation standards.

PMC Chapter 13.12 establishes permitted irrigation hours and, between June 1 and October 31, requires irrigation to occur on an alternating odd-even day schedule, with no irrigation permitted on Mondays, except for activities specifically exempted by the chapter. Newly planted lawn and landscaping are exempt from these scheduling requirements during the establishment period; once established, the property is required to comply with the applicable irrigation schedule. Irrigation systems must also be maintained in good working order, adjusted to prevent overwatering and excessive watering, promptly repaired when leaks or broken components occur, and configured to prevent overspray onto roads, sidewalks, parking lots, and other areas that do not require irrigation.

Final landscape and irrigation plans shall therefore be designed to facilitate compliance with these requirements and shall identify irrigation areas, equipment, controls, and applicable water-conservation measures. Plant materials and irrigation design shall also comply with applicable City landscaping requirements, including use of appropriate low-water-use and drought-tolerant plant materials where required. Following establishment of new landscaping, irrigation associated with the project shall be operated and maintained in accordance with PMC Chapter 13.12, including applicable seasonal watering schedules, permitted irrigation hours, system-maintenance requirements, and any additional conservation measures or restrictions imposed by the City during periods of anticipated or actual water shortage (COA P26).

5. PMC 18.260.070 PRD Site Design Criteria

   a. When a PRD is proposed adjacent to an existing single-family residential zone which has been developed utilizing traditional city subdivision standards and lot sizes (seven thousand five hundred square feet or larger), the PRD shall be designed and developed so as to be consistent with the single-family residential environment at its adjacent perimeter. The review authority may require the PRD to make provisions such as matching lot sizes, lot widths or house height and scale (or other provisions as deemed appropriate) for those lots that are located adjacent to the existing subdivision. Further, any proposed attached units shall be clustered and located away from the established single-family subdivision.

   Staff Comment. The project is adjacent to existing single-family residential development, including the Baywatch and Crystal View neighborhoods and other RL-zoned properties developed utilizing traditional subdivision standards and lot sizes of 7,500 square feet or greater. Accordingly, the design-consistency requirement of PMC 18.260.070(A) applies to those portions of the Pinnacle PRD perimeter where that qualifying adjacency exists.

   The PED Director has issued three Administrative Interpretations addressing the meaning and application of this criterion (Exhibits 14.a, 14.b, and 14.c). Read together, the interpretations establish the framework staff has used to evaluate the proposed PRD.

   First, Administrative Interpretation No. 1, dated March 30, 2026 (Exhibit 14.a), explains that the term “adjacent perimeter” refers to the portion of the project boundary where the PRD is adjacent to the qualifying existing residential development. The criterion does not require every portion of the PRD, or every individual lot within the PRD, to be designed and developed to be consistent with the adjacent neighboring subdivision. Accordingly, staff's analysis focuses principally on the physical and visual relationship created where the Pinnacle site meets the adjacent, existing single-family residential environment.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

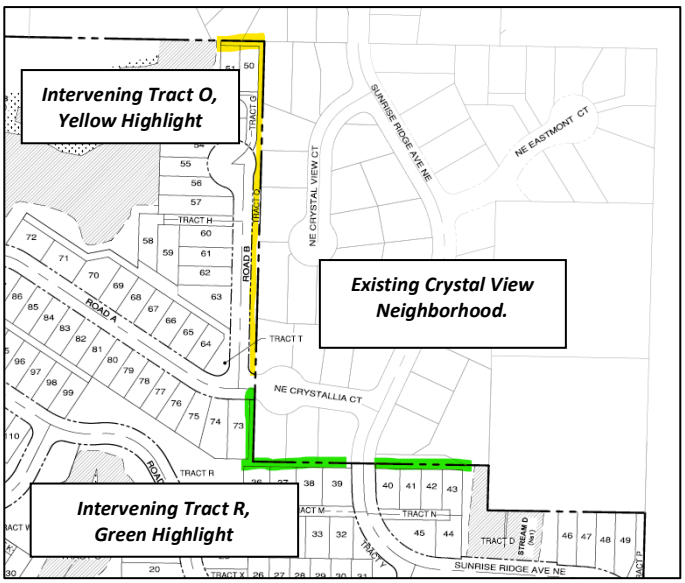
Administrative Interpretation No. 1 further explains that the “single-family residential environment” is broader than housing type alone. It encompasses the overall physical and visual character typically associated with a traditional single-family neighborhood, including housing type and orientation; lot configuration and spacing; building scale and massing; the relationship of structures to adjacent properties; streetscape patterns and neighborhood layout; and landscaping, buffering, and visual transitions between developments. The interpretation also recognizes that PMC 18.260.070(A) is a performance-based standard and does not establish quantitative thresholds for each of these characteristics.

Second, Administrative Interpretation No. 2, dated June 22, 2026 (Exhibit 14.b), clarifies that “consistency” is the operative regulatory standard under PMC 18.260.070(A); “compatibility” is not a separate or additional test. The required determination is whether the PRD has been designed and developed so as to be consistent with the single-family residential environment at its adjacent perimeter. The interpretation also confirms that this determination is made based upon the full development proposal and record developed through the City's review process.

Third, Administrative Interpretation No. 3, dated September 16, 2026 (Exhibit 14.c), clarifies that the code establishes the required outcome, consistency at the adjacent perimeter, but does not prescribe a single design technique for achieving that outcome. The provisions identified in PMC 18.260.070(A), including matching lot sizes, lot widths, and house height and scale, are illustrative rather than mandatory. The use of “may” gives the review authority discretion to determine whether those or other provisions are appropriate based upon the particular development proposal. The interpretation *further* explains that design measures elsewhere within a PRD may be considered as part of the overall development proposal, although such measures do not change the location at which consistency ultimately must be achieved, the adjacent perimeter.

Application to Pinnacle. Applying that framework, staff recognizes that the proposed Pinnacle lots generally do not replicate the lot sizes or lot widths found within the adjoining traditional subdivisions. However, PMC 18.260.070(A), as clarified by the Administrative Interpretations, does not establish lot-size or lot-width matching as an independent mandatory standard. Rather, those are among the tools the review authority may require where necessary to achieve the required consistency at the adjacent perimeter. Administrative Interpretation No. 1 expressly concludes that these examples are illustrative measures and are not mandatory in every case.

Staff therefore evaluated the overall physical and visual relationship between the proposed development and the existing residential environment rather than relying upon lot area alone. The proposal consists entirely of detached single-family dwellings, maintaining the predominant residential housing form found in the adjoining neighborhoods. Proposed structures remain subject to the applicable RL building-height requirements. The site design also avoids, in substantial portions of the applicable perimeter, an immediate lot-to-lot transition between smaller PRD lots and the larger existing subdivision lots by incorporating intervening tracts and physical separation (see intervening tracts O and R below). Retained vegetation, open-space areas, landscaping, and other site-design elements further contribute to the transition between development patterns (see image below).



These characteristics are relevant to the broader PMC 18.260.070(A) analysis because Administrative Interpretation No. 1 expressly identifies the relationship of structures to adjoining properties, lot configuration and spacing, building scale and massing, neighborhood layout, landscaping, buffering, and visual transitions as characteristics that may comprise the single-family residential environment. Thus, although the proposed lots do not duplicate the dimensions of the adjoining subdivisions, staff finds that lot dimensions are only one component of the required project-specific evaluation.

Staff also notes that the adjacent Crystal View subdivision includes two-story single-family residences developed on similarly sloping topography. The existing neighborhood incorporates a terraced development pattern, with homes situated at varying elevations to accommodate the natural grade. This established development pattern provides relevant context for evaluating the proposed project's building scale, massing, and relationship to adjoining residential properties. While the proposed development may differ in individual lot dimensions and configuration, the use of terraced building sites and varying elevations is consistent with characteristics already present in the surrounding single-family residential environment.

Staff further recognizes that landscaping, fencing, buffering, and open-space tracts are also relevant to the separate screening requirements of PMC 18.260.070(B). Staff does not rely upon those screening measures, standing alone, to establish compliance with PMC 18.260.070(A). Administrative Interpretations Nos. 1 and 2 expressly establish that PMC 18.260.070(B) applies in addition to PMC 18.260.070(A), and that screening measures do not replace or independently satisfy the PMC 18.260.070(A) consistency requirement. Rather, those features are considered under PMC 18.260.070(A) only as components of the overall physical and visual relationship created by the complete site design.

Considering the project as a whole, and specifically the development pattern created at the qualifying adjacent perimeter, staff finds that the combination of detached single-family housing form, applicable building scale and height limitations, the relationship and separation between proposed and existing residences, intervening tracts, retained vegetation and open space, and the overall transition between development patterns provides consistency with the existing single-family residential environment without requiring duplication of adjoining lot sizes or lot widths.

Accordingly, staff finds that the proposed PRD satisfies PMC 18.260.070(A). This finding is based upon the project-specific evaluation required by the code.

b. When a PRD is proposed adjacent to a single-family zone (developed or un/underdeveloped), the perimeter of the PRD shall be subject to screening provisions (this is in addition to subsection A of this section as applicable). The review authority may require the PRD to make such provisions as providing a six-foot sight-obscuring fence or a minimum twenty-five-foot vegetated buffer

(designated as an open space tract), or other provisions as deemed appropriate to provide adequate screening.

Staff Comment. PMC 18.260.070(B) establishes a separate requirement addressing screening where a PRD is proposed adjacent to a single-family zone, whether developed or undeveloped. The code expressly provides that this requirement applies in addition to PMC 18.260.070(A). Administrative Interpretations Nos. 1 and 2 confirm that the two provisions perform different functions: PMC 18.260.070(A) addresses the broader physical and visual relationship and consistency of the development at the adjacent perimeter, while PMC 18.260.070(B) specifically addresses screening and buffering.

The proposed project incorporates intervening tracts along portions of the perimeter adjacent to single-family-zoned property. These areas provide physical separation and are supplemented by landscaping, retained vegetation, open space, and six-foot sight-obscuring fencing in specified locations. The landscape and open-space plans identify the applicable perimeter tracts and proposed landscape treatments.

Staff has separately evaluated these features for purposes of PMC 18.260.070(B) and finds that the combination of intervening tracts, landscaping, retained vegetation, and required sight-obscuring fencing provides adequate screening between the PRD and adjacent single-family-zoned properties. Accordingly, staff finds that the proposal satisfies PMC 18.260.070(B).

6. PMC 18.260.080 Residential types in residential low (RL) zoning district. Attached dwellings, not exceed fourplexes, may be allowed in the RL zone through a PRD if the proposal meets criteria.

   Staff Comment. While duplexes were encouraged by staff to be included to provide a variety of housing types, particularly on corner lots, attached dwelling units were not proposed and are not required for this single-family development.

7. PMC 18.260.090 Open space requirements. Common open space and other appropriate beneficial features are required for all planned residential developments.

   a. Open space is intended to benefit the occupants of the planned residential development and shall be improved with recreational amenities.

      Staff Comment. The proposal provides open space throughout the development in the form of preserved critical areas and buffers, landscaped open space tracts, pocket parks, pedestrian walking paths, gathering areas, and other passive recreational amenities intended for the benefit of future residents. While a portion of the open space consists of protected critical areas and associated buffers, the development also includes active and passive recreational opportunities distributed throughout the site.

   b. The open space design shall be appropriate to the size, natural features and topography of the subject site. The design shall include open space that is accessible for all residents through pedestrian connections. Further, the open space area(s) shall be visible to at least half of the home sites. This may require multiple open space areas.

      Staff Comment. Open space has been distributed throughout the site and connected by pedestrian pathways. Multiple open space tracts are visible and accessible from throughout the development. The open space design responds to the site's natural topography, wetlands, streams, and tree retention areas while providing recreational opportunities for residents.

   c. Open space is required on the average lot size in the proposed development. The greater the deviation form the RL standard lot size, the greater the open space requirement. This relationship is intended to mitigate the effects of smaller lot sizes including reduced recreation space on private lots, reduced setbacks between structures and overall intensity of the development. The required open space is a percentage of the gross project area.

      Staff Comment. The proposal includes an average lot size smaller than the standard RL lot size. Consistent with the PRD provisions, additional open space is required to offset the reduced lot sizes, reduced setbacks, and increased development intensity associated with the PRD design. The proposal provides open space in excess of the minimum amount required by the code.

d. The amount of open space required is set forth in Table 18.260.090(A). The amount of open space required is based upon a range of proposed average lot sizes. The determination of average lot size shall be the sum of all individual lot square footage, divided by the total number of proposed lots.

Staff Comment. The proposal has an average lot size of approximately 4,325 square feet. Pursuant to Table 18.260.090(A), the project is required to provide open space equal to 20% of the gross project area. Based on the cumulative project area of approximately 1,607,306 square feet, the minimum required open space is 321,461 square feet. The applicant proposes approximately 842,873 square feet (19.35 acres) of open space, representing approximately 48% of the project area and substantially exceeding the minimum open space requirement. The proposed open space consists of a combination of critical areas, critical area buffers, landscaped open space tracts, stormwater tracts, pocket parks, gathering areas, pedestrian walking paths, and other passive recreational amenities distributed throughout the development. Portions of the proposed open space are associated with environmentally sensitive areas and preserved natural features, while other areas provide functional recreational and gathering opportunities for future residents.

e. Critical area protection areas and required buffers as defined and required by the city's adopted critical areas ordinance can contribute to the above-required open space amount. If twenty-five percent to forty percent of the subject site contains protected critical areas and required buffers, then the critical area and protected buffer contribute up to fifty percent of the project's required open space amount, credited on a square-foot-by-square-foot basis.

Staff Comment. The proposed PRD is required to provide open space consistent with PMC 18.260.090. Approximately 605,986 square feet of the subject site consists of critical areas and associated buffers. Pursuant to PMC 18.260.090(E), where protected critical areas and required buffers comprise between 25% and 40% of the site, critical areas and buffers may be used to satisfy a portion of the required open space; however, the amount credited toward the minimum open space requirement may not exceed 50% of the required open space on a square-foot-for-square-foot basis.

The revised Preliminary Landscape and Recreation Plan (Exhibit 3.a) demonstrates compliance with this requirement on a cumulative phase-by-phase basis. The plan identifies the amount of critical area and buffer physically contained within the project's open space and the amount that may be credited toward satisfaction of the minimum open space requirement. Accordingly, the project may preserve critical area and buffer acreage in excess of the 50% limitation as open space, but that excess acreage does not receive additional credit toward the minimum required open space.

For Phase 1, approximately 249,845 square feet of open space is required. Accordingly, no more than approximately 124,923 square feet of that requirement may be satisfied through critical areas and associated buffers. The plan identifies approximately 123,967 square feet of critical-area credit for Phase 1, with the balance of the required open space provided outside critical areas and buffers.

With completion of Phases 1 and 2, the cumulative required open space increases to approximately 285,343 square feet, resulting in a maximum allowable critical-area contribution of approximately 142,672 square feet. Although approximately 166,942 square feet of critical areas and buffers are physically contained within the cumulative open-space areas at this stage, the amount that may be credited toward the minimum open-space requirement remains limited to 50%. Critical-area acreage exceeding that limitation remains protected as open space but does not receive additional credit toward satisfaction of the minimum requirement.

At full buildout of Phases 1 through 3, approximately 321,033 square feet of open space is cumulatively required, allowing a maximum of approximately 160,517 square feet of the requirement to be satisfied through critical areas and associated buffers. Approximately 179,212 square feet of critical areas and buffers are contained within the applicable cumulative open-space areas at full buildout. As with the preceding phases, only the amount permitted under PMC 18.260.090(E) may be credited toward the minimum requirement, and qualifying open space outside critical areas and buffers provides the remaining required area.

At full buildout, the project provides approximately 842,873 square feet (19.35 acres) of passive open space, including approximately 603,992 square feet (13.87 acres) within critical areas and buffers and approximately 238,881 square feet (5.48 acres) outside critical areas and buffers. The

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

project additionally provides approximately 106,558 square feet (2.42 acres) of active open space. Active open-space improvements include neighborhood and pocket parks, gathering and seating areas, playground and play areas, a rose garden, pedestrian trails, viewpoints, and other recreational amenities distributed throughout the development.

Staff finds that the proposed open-space program, including the cumulative phasing of required open space and the limitation on critical-area credit, is consistent with PMC 18.260.090, subject to the Conditions of Approval requiring each phase to provide the required open space and recreational amenities applicable to that phase prior to final plat approval (COA P38).

f. Stormwater management facilities may contribute to a project's required open space amount under specific circumstances. For projects that utilize stormwater vaults, the top of the vault area proposed to serve as the activity amenity for either the community at large or for the occupants of the PRD if grade and landscaping provide for an unstable area.

Staff Comment. The proposal includes both surface stormwater detention ponds and underground stormwater facilities as part of the project's stormwater management system. The detention pond areas are incorporated into the overall open space network, with adjacent landscaping, pedestrian connections, and passive recreational amenities provided throughout the development. The preliminary plans identify stormwater facilities within open space tracts, including detention ponds and underground stormwater facilities; however, these stormwater facilities are not themselves being relied upon as recreational amenities. The applicant is not proposing to utilize the top of an underground stormwater vault as a recreational amenity or to claim additional open space credit pursuant to PMC 18.260.090(F).

g. Open space areas not proposed to be improved with recreational amenities or purposes shall remain as natural vegetation or landscaped with groundcover, shrubs and trees consistent with the type and location of open space. Removal of natural vegetation in preserved and approved open space shall only be permitted for public safety reasons and upon review and approval of the planning director and city arborist.

Staff Comment. Portions of the proposed open space are improved with recreational amenities, gathering areas, pedestrian walking paths, and landscaped open space. The remaining open space consists primarily of preserved critical areas, critical area buffers, tree retention areas, and other natural vegetated areas that will remain largely undisturbed. Where open space is not preserved in a natural condition, the applicant proposes landscaping consisting of groundcover, shrubs, trees, and other plantings appropriate to the location and function of the open space area. Removal of vegetation within preserved open space areas shall remain subject to City review and approval. The City Arborist concluded that the proposal satisfies the City's tree retention requirements and that adequate tree protection measures have been incorporated into the plans and conditions of approval.

h. Both passive and active recreational amenities (owned and maintained by the homeowners) are required to be provided for all PRDs, and shall be located within the required open space areas.

Staff Comment. The proposal contains 130 dwelling units and is therefore required to provide a minimum of three Group 1 amenities and two Group 2 amenities in accordance with PMC 18.260.090(H). The Preliminary Landscaping and Recreation Plan (Exhibit 3.a) identifies recreational amenities distributed throughout the development's open space tracts and substantially exceeding the minimum amenity requirement. Proposed amenities include pocket parks with seating and picnic areas, pedestrian and soft-surface trails, exercise and fitness stations, open lawn and gathering areas, interpretive features, and other passive and active recreational opportunities. The plan identifies the applicable Group 1 and Group 2 classifications for the proposed amenities and provides cumulative amenity calculations by development phase to demonstrate that the required amenities will be available as the project is constructed. Details and specifications for the proposed amenities will be finalized during construction plan review. The recreational amenities and associated open space tracts will be owned and maintained by the homeowners' association.

i. Amenities, both passive and active, area required. Table 18.260.100 provides guidance on type of passive and active amenities for PRDs. PRDs with 111 units or more shall provide three Group 1 amenities and two Group 2 amenities.

Staff Comment. Recreational amenities are distributed throughout the development's open space system and connected by sidewalks and pedestrian pathways, providing reasonable access for residents throughout the project. The Preliminary Landscaping and Recreation Plan (Exhibit 3.a) identifies both passive and active recreational opportunities within multiple open space tracts and demonstrates that the required amenities will be provided as each phase of the development is constructed. The distribution of amenities and pedestrian connections provides access to recreational opportunities for residents throughout the development.

j. The location of the recreational amenities shall be distributed throughout the PRD for use by all residents unless clustering related amenities will result in recreational opportunities which contribute to the project's overall recreational plan and provisions.

Staff Comment. Recreational amenities are distributed throughout the development and are accessible to residents from all phases of the project through the proposed sidewalk network, pedestrian pathways, and internal street system. The Preliminary Landscaping and Recreation Plan (Exhibit 3.a) includes amenities in multiple locations rather than concentrating all recreational opportunities in a single area, providing a variety of passive and active recreational opportunities throughout the neighborhood.

k. All PRD amenity design shall take into consideration possible pedestrian linkages and connectivity between existing or planned PRDs and any other residential development.

Staff Comment. The proposal includes an internal sidewalk network and pedestrian pathways connecting residential areas with open space tracts, recreational amenities, and common areas throughout the development. Pedestrian facilities are integrated into the internal street system and provide connectivity between the various phases of the project.

8. PMC 18.260.110 Residential density incentives

Staff Comment. No residential density incentives are requested with this proposal.

9. PMC 18.260.120 Street standard alternatives. The city's street standards, as set forth in the city's adopted Developer's Guide, Section 2, may be modified as described in this section and do not require prior city council approval in order for the application to proceed to the review authority.

Staff Comment. The applicant proposes street improvements and cross-sections utilizing the flexibility provisions of the PRD regulations. Engineering staff have determined that the proposed street sections generally satisfy the intent of the PRD standards by providing an efficient internal street network while responding to the site's topography and environmental constraints. The preliminary subdivision does not currently include a roadway connection to Baywatch Court NE. However, the Engineering Department has determined that this connection is necessary to implement the City's adopted transportation network, provide required roadway redundancy and emergency access, and improved neighborhood connectivity. An independent engineering review conducted by Parametrix (Exhibit 9.g) further concluded that a connector roadway from Baywatch Court NE can feasibly be designed based on reasonable preliminary design assumptions, although additional engineering, environmental review, and permitting will be required as part of final design. Accordingly, construction of the Baywatch Court connection is required as a condition of approval (COAs P12 and E52). Subject to compliance with this and the other applicable conditions of approval, staff finds that the proposed street system satisfies the intent of the PRD street standards and the provisions of PMC 18.260.120.

10. PMC 18.260.140 Findings. In approving a planned residential development, the review authority must make the following findings:

a. The proposal, through its design and submitted supporting documents, has clearly demonstrated it meets the stated purposes of this chapter.

Recommended Finding: The proposal demonstrates the purposes of the PRD chapter through critical area preservation, tree retention, recreational amenities, substantial open space preservation, flexible residential design, and an internal street and utility system responsive to the site's

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

topography and environmental constraints. The City's review identified the need for an additional roadway connection to Baywatch Court NE to implement the adopted future roadway network, improve neighborhood connectivity, and provide adequate roadway redundancy and emergency access. Independent engineering review determined that a connector roadway from Baywatch Court NE can feasibly be designed, subject to additional engineering, environmental review, and permitting as part of final design. Accordingly, construction of the Baywatch Court connection is required as a condition of approval (COAs P12 and E52). With incorporation of this condition and the other recommended conditions of approval, staff finds that the proposal meets the stated purposes of the PRD chapter, including the efficient provision of streets, utilities, and other public improvements and the City's objectives for an interconnected and resilient transportation system.

b. The proposal complies with all of the applicable provisions of this title, except those provisions from which deviation has been allowed under this chapter.

Recommended Finding: The proposal, as conditioned, complies with the applicable provisions of the Zoning Ordinance, including the PRD standards, critical area regulations, landscaping and tree retention requirements, open space and recreational amenity requirements, and applicable development standards of the RL zoning district. Where additional measures are necessary to ensure compliance, those requirements have been incorporated into the recommended conditions of approval. Compliance with the applicable subdivision decision criteria, transportation and emergency access requirements, and roadway connectivity requirements is addressed separately within this report.

c. The proposal provides overall site design features through its conceptual architectural renderings for the entire project, and has included open space areas, pedestrian walkways and connections, recreational amenities, and outdoor features.

Recommended Finding: The proposal includes conceptual architectural renderings, multiple housing elevations and building configurations, open space tracts, pedestrian pathways, recreational amenities, landscaping, and other site design features intended to establish a coordinated residential development. The submitted plans, including the Individual Identity Plan (Exhibit 4), demonstrate variation in residential design and integrate the proposed housing with the development's open space, landscaping, pedestrian circulation, and recreational amenities. Subject to the recommended conditions of approval and final review of applicable design details at subsequent permit stages, staff finds that the proposal complies with the applicable PRD design requirements and provides a coordinated site design for the development.

d. The proposal would not impair the integrity and character of the zoning district in which it is to be located.

Recommended Finding: The proposal would not impair the integrity or character of the RL zoning district. The development consists of residential uses consistent with the purpose of the district and utilizes the flexibility provided through the PRD provisions to accommodate the proposed housing while preserving substantial open space and incorporating critical area protection, tree retention, landscaping, recreational amenities, and pedestrian connections into the overall site design. The proposed lot and street configuration, residential design, open space system, and landscaping provide transitions within the development and to surrounding residential areas. Subject to compliance with the recommended conditions of approval, staff finds that the proposal is compatible with the residential character of the area and will not impair the integrity or character of the zoning district.

e. The site is physically suited for the type and intensity of land use being proposed.

Recommended Finding: The site is physically suited for the proposed residential development. The project design responds to the site's topography, geotechnical conditions, critical areas, wetlands, streams and associated buffers while accommodating the proposed residential density and necessary public infrastructure. The proposal incorporates stormwater facilities, open space, tree retention areas, recreational amenities, and pedestrian connections as part of the overall site design. Technical review of the project has identified measures necessary to address site-specific development constraints, which have been incorporated into the recommended conditions of approval. Subject to compliance with those conditions and applicable requirements during

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

subsequent grading, civil construction, and building permit review, staff finds that the site can be developed consistent with applicable City standards.

f. The proposal would be compatible with existing and future land uses within the general area in which the proposal is to be located by providing screening or buffering between parcels and providing consistency between any existing single-family subdivisions and the proposal.

Recommended Finding: The proposal is compatible with surrounding residential development. The project utilizes detached residential development, perimeter landscaping, retained vegetation, critical area and open space tracts, and other screening and buffering measures to provide separation and transition between the proposed development and adjoining residential properties. The arrangement of lots, open space, landscaping, and preserved natural areas along the project perimeter further reduces potential compatibility impacts. Subject to compliance with the recommended conditions of approval, staff finds that the proposal provides an appropriate transition between existing and future residential development and is compatible with the residential character of the surrounding area.

g. The proposal would preserve natural features and critical areas and would preserve and incorporate existing significant stands of trees within the project design as much as possible.

Recommended Finding: The proposal preserves and protects wetlands, streams, critical area buffers, and other natural features through dedicated tracts, open space areas, habitat protection measures, and project design. The proposal incorporates tree retention areas and tree protection measures reviewed by the City Arborist and, as conditioned, preserves existing significant stands of trees to the maximum extent practicable while accommodating development of the site.

h. There are adequate provisions for water, sanitary sewer, and public utilities and services to ensure that the proposal would not be detrimental to public health and safety.

Recommended Finding: The proposal can be served by adequate public facilities and utility infrastructure, including domestic water, sanitary sewer, stormwater management, power, telecommunications, and other necessary services. The applicant has demonstrated the feasibility of extending the necessary utility systems to serve the development, and City utility and engineering staff have reviewed the proposed infrastructure for consistency with applicable utility plans, engineering standards, and service requirements. Final utility alignments, easements, connections, construction methods, capacity requirements, and other construction-level details will be reviewed and approved through subsequent civil construction and utility permitting. Where additional improvements or access rights are necessary to provide, operate, or maintain public utilities, those requirements are addressed through the recommended conditions of approval. Subject to compliance with those conditions and applicable City utility and engineering requirements, staff finds that adequate provisions can be made for water, sanitary sewer, stormwater management, and other necessary public utilities and services and that the proposal will not result in an identified utility-related impact detrimental to public health or safety.

i. There will be adequate provisions for public access to sere the subject proposal, as well as providing for neighborhood connectivity as appropriate and as required by the city.

Recommended Finding: The proposal provides public access from Sunrise Ridge Avenue NE and NE Crystallia Court. Based on review of the proposed circulation system, the City Engineer has determined that an additional public roadway connection to the Baywatch neighborhood is required to satisfy applicable subdivision, transportation, connectivity, and emergency access requirements. Independent engineering review has also determined that the Baywatch connection is feasible based on reasonable preliminary design assumptions, with final design subject to additional engineering, environmental review, and permitting. Accordingly, construction of the Baywatch connection is required as a condition of approval (COAs P12 and E52). With implementation of the required connection, the project will provide adequate public access, an interconnected street system, roadway redundancy, and improved emergency access consistent with PMC 17.80.050(C), PMC 17.80.060, and applicable Comprehensive Plan policies. Staff therefore finds that this criterion is met as conditioned.

j. The proposal is consistent with the comprehensive plan and the city's adopted development standards.

Recommended Finding: Consistency with the Comprehensive Plan is evaluated based on the proposal as a whole and the applicable goals and policies, rather than solely on the site's land use designation. The proposal is consistent with the Comprehensive Plan land use designation, housing policies, residential development objectives, and applicable development standards. The City's review identified the need for an additional roadway connection to the Baywatch neighborhood to implement the adopted transportation network and further the City's objectives for interconnected streets, roadway redundancy, emergency access, and neighborhood connectivity. Accordingly, construction of the Baywatch connection is required as a condition of approval (COAs P12 and E52). With implementation of this condition and the other recommended conditions of approval, the proposal is consistent with the adopted transportation network identified in Transportation Comprehensive Plan Figure 6-2 and Comprehensive Plan Policies TR-5.1, TR-5.2, TR-5.3, and TR-6.2. Staff therefore finds that this criterion is met as conditioned.

k. There will not be significant unmitigated harmful effects upon environmental quality and natural resources.

Recommended Finding: The proposal includes mitigation measures, critical area protection, stormwater treatment and flow control facilities, habitat protection measures, and tree retention provisions designed to avoid or minimize environmental impacts. Subject to the recommended conditions of approval, the proposal will not result in significant unmitigated impacts to environmental quality or natural resources.

l. The proposed location, size, and design of the proposal would not be detrimental to the public interests, health, safety, or welfare of the city.

Recommended Finding: The proposed location and size of the development are appropriate for residential use and can be adequately served by public utilities, infrastructure, and emergency services. The project incorporates measures addressing critical areas, stormwater management, transportation, open space, recreational amenities, and other site-specific development considerations. The City Engineer has determined that an additional roadway connection to the Baywatch neighborhood is necessary to provide roadway redundancy, improve emergency access and neighborhood connectivity, and implement the City's adopted future roadway network. Accordingly, construction of the Baywatch connection is required as a condition of approval (COAs P12 and E52). With implementation of this condition and the other recommended conditions of approval, staff finds that the proposal provides adequate measures to protect the public interest, health, safety, and welfare. Staff therefore finds that this criterion is met as conditioned.

VI. PUBLIC COMMENT

Consistent with the City's project permit procedures, opportunities for public participation have been provided throughout review of the Pinnacle at Liberty Bay application.

The applicant conducted a Neighborhood Meeting on April 21, 2025 (Exhibit 2.a), prior to formal application submittal. Notice of the neighborhood meeting was provided in accordance with City requirements, and members of the public were provided an opportunity to learn about the proposal, ask questions, and provide feedback directly to the applicant.

Following the determination of technical completeness on August 14, 2025, the City issued a Notice of Application on August 27, 2025 (Exhibit 11), initiating a public comment period and providing notice to surrounding property owners, interested parties, and agencies.

As review progressed, the applicant submitted multiple revisions to the proposal, including modifications to lot layout, roadway configuration, critical area design, grading, retaining walls, landscaping, and supporting technical documentation. Based on these changes, the City determined that a revised Notice of Application was warranted to ensure the public was accurately informed of the current proposal and provided a meaningful opportunity to comment on the revised design. A revised Notice of Application with Optional DNS was issued on June 17, 2026 (Exhibit 12.a).

The City received written comments (Exhibits 13.a, 13.b, 13.c, 13.d) throughout review of the Planned Residential Development and Preliminary Subdivision. Comments addressed a broad range of issues, including traffic and access, emergency response, neighborhood compatibility, density and lot size, tree removal and screening, building height and views, wetlands and streams, wildlife habitat, stormwater and drainage,

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

geotechnical conditions, retaining walls, public infrastructure, construction impacts, and archaeological and cultural resources.

The following summarizes the principal issues raised and staff's response based upon the complete application record, including the revised plans and technical studies, independent peer review, SEPA review, and recommended conditions of approval. See also Exhibit 13.e, Public Comment Summary.

A. Traffic, Access, Emergency Response and Transportation

Commenters expressed concern regarding increased traffic associated with the proposed subdivision, including traffic volumes on SR-305, the Baywatch Court/SR-305 intersection, Sunrise Ridge Avenue, and surrounding neighborhood streets. Comments also questioned the adequacy of the Traffic Impact Analysis, construction traffic, emergency vehicle access, and whether the proposed roadway system provides sufficient redundancy for a development of this size. Particular concern was expressed regarding the removal of the previously proposed Baywatch Court connection and reliance upon Sunrise Ridge Avenue as the primary transportation corridor serving the development.

Staff Comment: Transportation and access issues received substantial review during the application process. The applicant submitted a Traffic Impact Analysis and subsequent revisions that were reviewed by City Engineering staff and the City's independent transportation consultant. Applicable transportation improvements and requirements are incorporated into the recommended conditions of approval.

Separate from the general traffic analysis, the City evaluated roadway connectivity and emergency access. The Fire Code Official determined that the portion of the development served by Roads A-D requires two separate and approved fire apparatus access roads and identified a connection at the southwest portion of the project to the Baywatch development as necessary to provide the required secondary access. The City's independent engineering consultant subsequently evaluated the feasibility of the Baywatch connection and concluded that a connector roadway across Stream C can be feasibly designed, although final design will require additional engineering, environmental review, permitting, and agency coordination.

Accordingly, the recommended conditions of approval require the Baywatch connection and establish requirements for final roadway design, emergency access, construction traffic, and applicable transportation improvements. With these conditions, staff finds that the transportation and access issues identified through public comment can be adequately addressed.

B. Neighborhood Compatibility, Density, and Lot Size

A substantial number of comments focused on the relationship between the proposed development and adjacent Crystal View residences. Commenters expressed concern that proposed lot sizes, housing density, setbacks, and the overall development pattern differ from existing development in the surrounding neighborhood. Several residents requested that lots adjoining Crystal View more closely approximate the size and configuration of existing lots and questioned whether the proposal provides an appropriate transition consistent with PMC 18.260.070.

Staff Comment: Staff evaluated the proposal under the Planned Residential Development standards, including the requirements applicable to perimeter design and compatibility with adjacent development. During technical review, the City required multiple revisions affecting lot configuration, building placement, landscaping, screening, open space, and other elements of the site design.

The PRD provisions allow flexibility in lot dimensions and development configuration in exchange for a coordinated site design meeting the applicable PRD requirements. The applicable standards do not require proposed lots to duplicate the dimensions of existing lots in an adjoining subdivision. Based upon the revised plans and recommended conditions of approval, staff finds that the proposal satisfies the applicable PRD standards governing density, lot configuration, perimeter treatment, and neighborhood compatibility.

C. Tree Retention, Vegetative Buffers, and Screening

Commenters expressed significant concern regarding removal of existing trees, particularly mature vegetation along the project perimeter that currently provides privacy and visual separation from existing residences. Comments requested greater tree retention, wider buffers, additional landscaping, and protection of existing vegetation during construction. Residents also questioned whether replacement

landscaping can provide screening comparable to the mature vegetation currently present. pacts and the ability of newly planted vegetation to replicate the screening provided by mature trees.

Staff Comment: The applicant submitted a Tree Protection Plan and supporting arborist documentation, which were independently reviewed by the City's consulting arborist. The review evaluated significant-tree inventory and health, proposed retention and removal, construction impacts, tree protection measures, and the relationship between retained trees, landscaping, critical areas, and proposed improvements.

The revised Tree Protection Plan identifies approximately 840 healthy significant trees for retention, exceeding the minimum retention required by PMC Chapter 18.180. The project also includes landscaping and perimeter planting intended to supplement retained vegetation and provide long-term screening. Conditions of approval require implementation of the approved Tree Protection Plan, installation and maintenance of tree protection measures, arborist oversight where required, and protection of retained trees throughout construction.

Staff recognizes that removal of existing mature vegetation will change the appearance of portions of the site and that newly installed landscaping will require time to mature. However, based upon the tree retention analysis, landscape plan, open-space system, and recommended conditions, staff finds that the proposal complies with the City's applicable tree retention and landscaping requirements.

D. Building Height, Views, and Visual Impacts

Several residents expressed concern that proposed homes, particularly three-story homes near existing Crystal View residences, could affect privacy, views, and neighborhood character. Commenters questioned whether the proposed building heights comply with applicable development standards and requested additional consideration of the relationship between future homes and existing residences.

Staff Comment: Proposed building envelopes, setbacks, lot configuration, and applicable height standards have been reviewed for consistency with the RL zoning district and Planned Residential Development requirements. Individual homes will also be reviewed for compliance with applicable height, setback, and other development standards at the time of building permit review.

The Poulsbo Municipal Code does not establish a general entitlement to preservation of private territorial views. However, potential visual and privacy impacts have been considered through the project's perimeter design, setbacks, landscaping, tree retention, building placement, and PRD compatibility review. Staff finds that the revised proposal, as conditioned, satisfies the applicable development standards.

E. Critical Areas, Streams, Wetlands, and Wildlife Habitat

Numerous comments addressed wetlands, streams, fish habitat, wildlife movement, forest resources, and the adequacy of proposed buffers and habitat protection measures. Questions were raised regarding stream classification, fish passage, riparian habitat, buffer widths, and the effects of development and roadway construction on critical areas. The Suquamish Tribe provided technical comments regarding stream typing, fish habitat evaluation, riparian protection, Best Available Science, and archaeological and cultural resources.

Staff Comment: Critical areas received extensive review throughout the application process. The applicant submitted a Critical Areas Report and Habitat Management Plan, wetland and stream documentation, subsequent addenda, and related engineering and environmental information. The City retained independent qualified consultants to review these materials. The review resulted in revisions to stream classifications, buffers, habitat protection measures, critical area boundaries and exhibits, and other components of the proposal.

The final critical area analysis and recommended conditions incorporate the findings of the City's independent peer reviewers and applicable agency comments. Additional requirements apply to construction near critical areas, including the proposed Baywatch connection and Stream C crossing. Final design of that crossing will require additional site-specific analysis, permitting, and compliance with applicable City, state, and federal requirements.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

Based upon the revised technical information, independent peer review, SEPA review, and recommended conditions of approval, staff finds that the proposal can comply with the City's critical area regulations and that identified impacts can be adequately avoided, minimized, and mitigated.

F. Stormwater, Grading, Geotechnical Stability, and Retaining Walls

Commenters raised concerns regarding the extent of grading, steep slopes, erosion, stormwater runoff, groundwater, tree removal on slopes, retaining wall height and stability, and the potential for drainage or slope impacts to adjoining properties. Concerns were also raised regarding responsibility for the long-term ownership, inspection, maintenance, repair, and replacement of retaining walls and other infrastructure.

Staff Comment: These issues were evaluated through the project's geotechnical reports and addenda, stormwater report, grading and civil plans, retaining wall information, Engineering review, SEPA review, and independent peer review. The applicant revised the grading, roadway, drainage, and retaining wall designs during technical review in response to City and consultant comments.

The recommended conditions require final construction plans to comply with the approved geotechnical recommendations and City engineering standards. They also require additional geotechnical review if final grading, roadway, stormwater, utility, or retaining wall designs materially differ from those evaluated during preliminary review. Retaining walls must be appropriately engineered, and ownership, maintenance responsibilities, access, inspection, repair, and replacement obligations must be established before final plat approval.

Preliminary subdivision approval does not constitute approval of construction-level engineering plans. Those plans will undergo additional City review prior to construction. The City's Engineering/Public Works Conditions (Exhibit 1.a) specifically provide that preliminary utility and engineering drawings are approved only conceptually and that final civil construction drawings must independently comply with applicable City codes and standards.

G. Public Facilities, Utilities. and Infrastructure Capacity

Commenters questioned whether existing public facilities and services can accommodate additional residential growth, including water supply, wastewater capacity, emergency services, schools, healthcare, and the cumulative effects of continued development within Poulsbo.

Staff Comment: The application was circulated to City departments, service providers, and applicable agencies as part of preliminary subdivision review. Public Works has determined that the City presently has sufficient water supply to serve the development, while expressly noting that water availability must again be verified at the time of building permit application. Water system improvements, including required looping connections, are addressed through the Public Works conditions of approval.

Final utility design, available capacity, fire flow, and other construction-level infrastructure requirements will be confirmed through subsequent engineering and building permit review as applicable. Based upon the agency review completed for the preliminary subdivision and subject to the recommended conditions of approval, staff has not identified an infrastructure-capacity issue that prevents preliminary approval of the subdivision.

H. Construction-Related Impacts

Commenters expressed concern regarding construction traffic, truck routing, dust, noise, erosion, debris, parking, road damage, and potential impacts to existing residential streets and neighboring properties during the potentially lengthy buildout of the subdivision.

Staff Comment: Preliminary subdivision approval authorizes the proposed land division subject to conditions but does not authorize construction to proceed without subsequent grading, civil construction, and other required permits. Construction sequencing, haul routes, erosion and sediment control, dust control, construction access, temporary traffic controls, and related construction activities will be reviewed through those subsequent permits.

The recommended conditions require a construction traffic plan and compliance with applicable erosion control, grading, engineering, and construction requirements. COA E48 further establishes specific construction traffic restrictions intended to minimize impacts on surrounding residential neighborhoods. Construction truck traffic originating from the Sunrise Ridge Avenue NE construction entrance shall use Johnson Parkway to access SR 305 and shall not travel north on Sunrise Ridge Avenue NE. Construction

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

truck traffic on NE Crystallia Court shall be limited to construction activities in the immediate vicinity of the cul-de-sac and shall not use that roadway as a general project construction entrance. These requirements shall be incorporated into the construction traffic plan and implemented throughout applicable construction activities.

I. Archaeological and Cultural Resources

The Suquamish Indian Tribe commented that the project area contains multiple ethnographic place names and is within an area identified by the Washington Department of Archaeology and Historic Preservation as having moderate probability for archaeological resources. The Tribe noted that the property has not previously been archaeologically surveyed and, given the extent of proposed ground disturbance, requested that a professional archaeological survey be completed prior to ground-disturbing activities and that coordination continue as the project proceeds.

Staff Comment: Staff recognizes the Tribe's concerns regarding archaeological and cultural resources. Although archaeological resources have not been identified on the site to date, the site's archaeological sensitivity and the extent of proposed ground disturbance warrant investigation prior to construction.

Accordingly, the recommended conditions of approval require completion of a professional archaeological survey prior to issuance of a grading permit or other approval authorizing ground-disturbing activities. The conditions also establish inadvertent discovery procedures requiring work to cease in the event archaeological materials or human remains are encountered, notification of the appropriate agencies and affected Tribes, and implementation of additional investigation, monitoring, or mitigation determined necessary.

VII. PMC CHAPTER 16.04 STATE ENVIRONMENTAL POLICY ACT (SEPA)

An Optional Determination of Nonsignificance (DNS) and revised Notice of Application were issued on June 17, 2026 (Exhibit 12.a). The associated public comment period closed on July 1, 2026. Written comments received during the environmental review process are included in the project record (Exhibit 13.c).

Following issuance of the Optional DNS notice, the applicant submitted additional and revised technical information through subsequent development review cycles. The Responsible Official reviewed the Environmental Checklist together with the complete administrative record, including revised engineering plans, technical studies, agency and public comments, independent peer review memoranda, and supplemental information submitted during review.

Environmental review evaluated potential impacts associated with grading and geologic hazards, wetlands and streams, stormwater management, tree removal and wildlife habitat, transportation and emergency access, groundwater protection, archaeological resources, and construction activities.

Based upon the complete environmental record, including revised technical reports, independent peer reviews, agency comments, public comments, and supplemental information submitted throughout the review process, the Responsible Official issued a Mitigated Determination of Nonsignificance (MDNS) on November 2, 2026 (Exhibit 12.c).

The Responsible Official determined that identified probable environmental impacts can be adequately addressed through the mitigation measures contained in the MDNS, applicable development regulations, conditions of approval, and subsequent construction-level review. The mitigation measures are incorporated into the project approval and shall be implemented at the applicable stage of development.

VIII. TITLE 19 PROJECT PERMIT PROCEDURES

PRDs and preliminary subdivision permit are reviewed as Type III applications. A public hearing is required for Type III applications. The Hearing Examiner is the review authority of PRD and preliminary subdivision permit. PMC 18.260.020 identifies the review authority shall approve, approve with conditions, disapprove or revoke PRDs. A summary of the timeline is provided:

Review Step	Date
Preliminary Application Conference	November 11, 2024
Neighborhood Meeting	April 21, 2025
Application Submitted and Counter Complete	July 28, 2025
Technically Complete	August 14, 2025
Notice of Application	August 27, 2025

Request for Revisions	September 8, 2025
Notice of Application Comment Period Over	September 11, 2025
Application Resubmittal	November 19, 2025
Request for Revisions No. 2	December 31, 2025
Revised Request for Revisions No. 2	January 9, 2026
Application Resubmittal	April 13, 2026
Applicant Request to Stop Clock	April 23, 2026
Applicant Request to Start Clock	May 21, 2026
Request for Revisions No. 3	June 5, 2026
Reissue Notice of Application w/Optional DNS	June 17, 2026
Application Resubmittal	June 25, 2026
Request for Revisions No. 4	July 2, 2026
Application Resubmittal	July 21, 2026
Request for Revisions No. 5	July 30, 2026
Application Resubmittal	October 5, 2026
SEPA Threshold Determination Issued*	November 2, 2026
Planning Commission Public Meeting Notice Issued	November 9, 2026
Planning Commission Staff Report Issued	November 10, 2026
Planning Commission Public Meeting	November 17, 2026
Hearing Examiner Public Hearing Notice Issued*	November 18, 2026
Hearing Examiner Public Hearing*	December 3, 2026
** Subject to change*	

IX. STAFF COMMENT AND RECOMMENDATIONS

Comments: The proposal demonstrates compliance with the applicable development regulations, subject to the recommended conditions of approval. The project has undergone multiple rounds of technical review addressing critical areas, geotechnical conditions, stormwater management, utilities, tree retention, open space, transportation, and Planned Residential Development standards.

A principal issue identified during review was the absence of the planned public roadway connection between the development and Baywatch Court NE/NR-12. The City obtained an independent engineering review from Parametrix dated September 16, 2026 (Exhibit 9.g), which concluded that a connector roadway can feasibly be designed based upon reasonable preliminary design assumptions. The review does not constitute final design approval, and additional roadway, stream-crossing, critical-area, hydraulic, geotechnical, structural, stormwater, and permitting review will be required.

Accordingly, the City Engineer recommends requiring design, permitting, and construction of the Baywatch Court/NR-12 connection as a condition of approval. Subject to that condition and the other recommended conditions of approval, staff finds that the applicable preliminary subdivision and Planned Residential Development approval criteria can be satisfied.

Recommendation: Staff recommends that the Planning Commission recommend approval, with conditions, of the Pinnacle at Liberty Bay Planned Residential Development, Preliminary Subdivision, and Critical Area Review, Planning File P-06-20-25-03, to the Hearing Examiner. Staff's recommendation is contingent upon compliance with all conditions of approval, including design, permitting, construction, and acceptance of the Baywatch Court/NR-12 roadway connection and completion of associated supplemental engineering, critical-area, environmental, and agency review required for the final connection design.

X. EXHIBITS

1: Staff Report (November 6, 2026)
- 1.a: Engineering/Public Works Staff Report Memo and Conditions of Approval

2: Application Materials
- 2.a: Application Materials
- 2.b: Overall Site Plan and Phasing Plan (9/16/26)
- 2.c: Preliminary TESC (9/16/26)
- 2.d: Preliminary Grading Plans (9/16/26)
- 2.e: Overall Infrastructure Plan (9/16/26)
- 2.f: Preliminary Road and Utility Plan (9/16/26)
  - 2.f.i: Technical Justification for Vertical Roadway Geometry Failures at Stream C Crossing (4/6/26)

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

- 2.f.ii: Deviation Request of ROW Standards for Residential Collector Road (12/5/25)
- 2.g: Preliminary Road and Utility Profiles (9/16/26)
- 2.h: Preliminary Pond Layout and Profiles (9/16/26)
- 2.i: Off-Site Sewer Connection/Crossing Plan (9/16/26)
- 2.j: Channelization and Signage Plan (9/16/26)

3: Landscape and Recreation Plan

- 3.a: Preliminary Landscaping and Recreation Plan (9/16/26)
- 3.b: ESM Retaining Wall and Landscape Narrative (9/16/26)

4: Individual Identity Plan, Home Designs, and Narrative

5: Critical Areas

- 5.a: SWC Pinnacle at Liberty Bay Critical Area Report and Habitat Management Plan (7/14/25)
- 5.b: Farallon/Grette Associates Peer Review (8/29/25)
- 5.c: SWC Critical Area Report Addendum (11/19/25)
- 5.d: Farallon/Grette Associates Peer Review (12/4/25)
- 5.e: SWC Critical Area Report Addendum No. 2 (4/6/26)
- 5.f: Farallon/Grette Associates Peer Review (4/27/26)
- 5.g: SWC Critical Area Report Addendum No. 3 (9/15/26)
- 5.h: Farallon/Grette Associates Peer Review No. 4 (10/14/26)
- 5.i: Wetland Buffer Averaging Civil Sheet (9/16/26)

6: Geotechnical

- 6.a: Aspect Geotechnical Engineering Report (2/13/25)
- 6.b: Aspect Addendum (6/16/25)
- 6.c: HWA/GeoSciences Peer Review (10/3/25)
- 6.d: Aspect Response to City of Poulsbo's Geotechnical Third-Party Review Comments (11/24/25)
- 6.e: Aspect Addendum No. 2 (6/17/26)
- 6.f: Aspect Geotechnical Addendum No. 3 (9/9/26)

7: Tree Retention Information

- 7.a: Washington Forestry Consultants Tree Retention Plan (6/16/25)
- 7.b: Sound Urban Forestry Peer Review (8/29/25)
- 7.c: Sound Urban Forestry Peer Review (12/19/25)

8: Stormwater

- 8.a: ESM Preliminary Stormwater Site Plan Report (Revised 4/6/25)
- 8.b: BHC Peer Review (10/1/25)

9: Traffic

- 9.a: Traffic Impact Analysis (Revised 10/26)
- 9.b: Traffic Impact Analysis (Revised 11/25)
- 9.c: Parametrix Peer Review (9/8/25)
- 9.d: Parametrix Peer Review No. 2 (7/1/26)
- 9.e: Parametrix Peer Review No. 3 (9/2/26)
- 9.f: Parametrix Peer Review (10/19/26)
- 9.g: Parametrix Connection Road Feasibility Independent Review (9/16/2026)
- 9.h: Concurrency Application
- 9.i: Applicant Response to City DRAFT Connectivity Memo (7/21/26)
- 9.j: Divoky Property Connection Feasibility Analysis
- 9.k: Skelley Property Connection Feasibility Analysis
- 9.l: Stream Crossing/Baywatch Connection Technical Justification
- 9.m: Access Separation Exhibit
- 9.n: Hinton Engineering Access Road Opinion
- 9.o: Poulsbo Fire District Operational Emergency Response Considerations memo (7/28/26)
- 9.p: City Building/Fire Code Official Access and Emergency Egress Review memo (8/19/26)
- 9.q: Engineering Memo – Connectivity and Multiple Points of Access/Egress (Bateman, Ranes 10/28/26)
- 9.r: Engineering Memo – Project Areas and Access Points ICC Code Interpretation (10/27/26)
- 9.s: WSDOT Review Memo (10/21/26)

10: Gray and Osborne Water System Analysis (11/14/25)

11. Original Notice of Application and Noticing Materials

12: Revised Notice of Application w/Optional DNS Noticing Materials

- 12.a: Revised Notice of Application w/Optional DNS Noticing Materials
- 12.b: Applicant's Environmental Checklist, as supplemented and amended by City staff
- 12.c: Mitigated Determination of Non-Significance (issued 11/2/26)
    - 12.c.i: Planning and Economic Development Department Memo

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

12.c.ii: Engineering Department Memo
13: Public Comment
13.a: Comments received during Notice of Application Comment Period 1
13.a.i: Applicant Response
13.b: Comments received after Notice of Application Comment Period 1
13.c: Comment received during Notice of Application Optional DNS Comment Period 2
13.d: Comments received after Notice of Application and Optional DNS Comment Period 2
13.e: Public Comment Summary
14: Lockhart Administrative Determinations
14.a: P-03-02-26-01
14.b: P-06-01-26-01
14.c: P-07-27-26-01
15: Planning Commission Public Meeting Notice

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

PINNACLE AT LIBERTY BAY PLANNED RESIDENTIAL DEVELOPMENT PRELIMINARY SUBDIVISION, AND CRITICAL AREA REVIEW CONDITIONS OF APPROVAL

PLANNING FILE P-06-20-25-03

Following are the Planning and Economic Development Departments Conditions of Approval:

General

P1. Development of the site shall be in substantial conformance with the approved Preliminary Subdivision, Planned Residential Development, associated plans, exhibits, and supporting documents approved under P-06-20-25-03 and subject to the conditions of approval contained herein.

P2. Development shall be consistent with the approved plans, technical reports, addenda, peer reviews, supplemental analyses, and mitigation measures identified in the Staff Report and incorporated into the project record. Where a later approved plan, report, addendum, or supplemental analysis modifies or supersedes an earlier document, the later approved document shall control. Final construction-level plans shall incorporate all applicable recommendations and requirements identified through City review and the conditions of approval.

P3. The project shall comply with all mitigation measures contained in the Mitigated Determination of Non-Significance issued November 2, 2026, for Planning File P-06-20-25-03, including any applicable modifications resulting from the SEPA review process. Where a mitigation measure requires additional study, design, agency consultation, permitting, monitoring, or mitigation, the applicable requirement shall be completed at the stage specified in the mitigation measure and incorporated into the corresponding grading, civil construction, critical area, or other permit approval.

P4. Lots cannot be created, sold, or marketed for sale until final plat approval is granted and the plat map is recorded with the Kitsap County Auditor. Final plat approval is a separate process from the preliminary subdivision approval process.

P5. Setbacks, off-street parking, building lot coverage, and building height shall be reviewed at time of building permit submittal. Setbacks shall be measured from property lines unless otherwise specifically authorized through the approved PRD. Garages served by driveway parking shall maintain a minimum twenty (20) foot setback from the applicable property line, public right-of-way, or private access tract, as applicable, sufficient to accommodate a parked vehicle without encroachment into the roadway, sidewalk, or access tract.

P6. Park and fire impact fees shall be assessed in accordance with the applicable provisions of the Poulsbo Municipal Code and the adopted park and fire impact fee schedule. The applicable fee amount shall be determined in accordance with the City's impact fee vesting provisions and shall be paid at the time required by the applicable code, prior to issuance of the certificate of occupancy or final inspection approval, as applicable.

P7. Site lighting is to be oriented and shielded to avoid direct glare onto adjacent properties and critical areas, while providing adequate safety, including along off-street walking pathways.

P8. Modifications to the approved Preliminary Subdivision or Planned Residential Development shall be reviewed pursuant to PMC 17.60.070 and applicable provisions of Title 18. Significant deviations from the approved plans may require review by the original decision-making authority.

P9. Within 5 years following the approval of the preliminary subdivision, or as otherwise stipulated in RCW, a final plat shall be submitted to the city for review and approval, or preliminary subdivision becomes void.

P10. Prior to issuance of any permits related to the construction of the retaining walls, appropriate property rights, including temporary construction easements and permanent wall maintenance easements on impacted adjacent properties, must be obtained authorizing the construction of the boundary walls.

P11. Prior to applying for a issuance of any grading permit or other approval authorizing ground-disturbing activity, the applicant shall complete a professional archaeological survey prepared by a qualified archaeologist for City review. The survey shall be submitted as part of a ground disturbance permit due to the site's moderate probability for cultural resources, the extent of proposed ground disturbance, and the Suquamish Tribe's request for archaeological review. If archaeological materials or human remains are encountered during construction, all work in the immediate area shall stop, the area shall be secured, and the City, DAHP, and affected Tribes shall be notified immediately. Work may not resume in the affected area until authorized by the City, in consultation with DAHP and affected Tribes. The City may require additional archaeological investigation, monitoring, or other measures based on the discovery.

P12. Consistent with the Engineering Department's review and determination that a public roadway connection between the Pinnacle at Liberty Bay development and Baywatch Court NE/NR-12 is necessary to satisfy applicable street connectivity, circulation, and emergency access requirements, the applicant shall incorporate the required connection into the final subdivision design.

The design, permitting, construction, timing, and City acceptance of the connection shall be completed in accordance with the Engineering/Public Works Conditions of Approval (Exhibit 1.a) and as approved by the City Engineer and Fire Code Official. The connection shall also comply with applicable critical area requirements, including any necessary supplemental technical review, mitigation, and agency permitting.

P13. It shall be the responsibility of the developer/property owner to coordinate with and receive any necessary permits of other agencies, including Washington State Department of Ecology, Washington State Department of Fish and Wildlife, US Army Corps of Engineers, US Environmental Protection Agency, prior to commencing work requiring said permits.

Tree Cutting and Clearing (TCC) Permit

P14. A Tree Cutting and Clearing permit application shall be submitted and reviewed concurrently with the Grading application. The application form and associated fees are available on the PED Department website.

P15. A detailed phasing plan shall be submitted with the Tree Cutting and Clearing permit.

P16. Tree Cutting and Clearing and grading permits shall be completed and closed out for the applicable phase prior to final plat approval of that phase, unless otherwise authorized in writing by the City Engineer and Planning and Economic Development Director. Any authorized phased close-out shall identify remaining work, required securities, temporary erosion and sediment control measures, critical area protection requirements, and ongoing maintenance responsibilities. No final plat shall be approved until all applicable permit conditions necessary to support the proposed phase have been satisfied.

Tree Retention

P17. A Final Tree Retention and Protection Plan and Final Landscape Plan shall be submitted with the Tree Cutting and Clearing Permit. The plans shall reflect final clearing and grading limits, retained tree locations, tree protection areas, replacement plantings, pedestrian pathways, utilities, retaining walls, and other proposed improvements that may affect retained trees. The plans shall be reviewed by the City Arborist, at the applicant's expense, and revised as necessary to demonstrate continued compliance with PMC 18.180 and the approved preliminary tree retention plan.

P18. Trees and tree retention fencing shall be shown on tree cutting and clearing plans, construction civil plans and landscape plans.

P19. Tree Protective Fencing.

a. Details on tree protection fencing shall be included in drawings submitted with the TCC and Grading permits.
b. No site work shall take place on the site until tree protective fencing is installed.
c. Tree marking and installation of protective fencing shall be under supervision of ISA certified project arborist, and inspected by City Arborist, at the cost of the applicant.
d. Tree protection fencing shall be installed 5 feet outside the dripline of trees to be retained.
e. No mechanical equipment or work shall be permitted inside protective fencing.
f. No storage, equipment, or vehicular traffic shall be permitted inside protective fencing.
g. Tree protective fencing shall be shown on all submitted materials including construction and landscape drawings.
h. Protective fencing shall not be moved or removed without consultation with the City Arborist.

P20. All applicable recommendations contained in the approved Tree Retention Plan (Exhibit 7.a), subsequent arborist City Arborist peer reviews (Exhibit 7.b-c), and any supplemental arborist review required through the Tree Cutting and Clearing Permit shall be incorporated into the final tree retention, clearing, grading, landscape, and construction plans.

P21. The ISA certified project arborist shall be on site to observe and direct tree protection measures to ensure all recommendations of the arborist report are followed.

P22. Tree marking and protection fencing shall be under the supervision of project arborist and when completed, the city is notified for inspection by the City Arborist, at the cost of the applicant.

P23. The project arborist and their contact information shall be identified at the preconstruction meeting.

P24. A follow-up risk assessment of the proposed retention tree areas shall be conducted by the project arborist once the tree cutting, clearing and grading has occurred, and submitted to the city for peer review. If needed, the tree retention numbers shall be amended to reflect any necessary removals and additional plantings, and an arborist report shall be provided to the City prior to close-out of the TCC permit and shall be peer reviewed by the City Arborist. Any reduction in the number of viable retained trees shall be addressed through additional retention or replacement planting as necessary to maintain compliance with PMC 18.180 and the approved tree retention methodology. The arborist report shall verify the tree retention plan and project conditions are met. The report shall also identify maintenance recommendations for a period of 5 years or reaffirm maintenance recommendations of prior report. Additional assessment may be required if deemed necessary by the PED Director in consultation with the City Arborist. Reports and reviews are at the cost of the applicant.

P25. The City shall be notified of any impact or pruning of significant tree roots prior to close-out of the TCC permit. The city

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

may require peer review by the City Arborist, at the cost of the applicant.

Landscaping

P26. Final landscape and irrigation plans shall comply with applicable City landscaping requirements and Chapter 13.12 PMC, Irrigation Regulations**.** Irrigation systems shall be designed, installed, operated, and maintained to promote efficient water use and facilitate compliance with the City's irrigation requirements. Irrigation systems shall be maintained in good working order, adjusted to prevent overwatering and excessive watering, promptly repaired when leaks or broken components occur, and configured to prevent overspray onto roads, sidewalks, parking lots, and other areas not requiring irrigation.

Following establishment of new lawn and landscaping, irrigation shall comply with the permitted irrigation hours and seasonal odd-even watering schedule established by PMC 13.12.040 and 13.12.050, including the prohibition on irrigation on Mondays between June 1 and October 31, unless otherwise exempt under Chapter 13.12 PMC. Final landscape and irrigation plans shall identify irrigation areas and equipment and shall be designed to accommodate any additional water-conservation measures or irrigation restrictions imposed by the City pursuant to Chapter 13.12 PMC.

P27. Irrigation, maintenance, and replacement of street trees shall be addressed within the Covenants, Conditions, and Restrictions (CC&Rs). Prior to close-out of the TCC Permit, the applicant shall provide an as-built landscape plan and any required maintenance or performance securities for street trees and associated landscaping improvements.

P28. Prior to close-out of the TCC Permit, the applicant shall provide maintenance security for all required landscaping improvements. Cost estimates shall be consistent with the approved as-built landscape plans and shall identify plant quantities, sizes, species, irrigation improvements, and other installed landscaping materials.

P29. Plant materials shall be selected and installed in accordance with approved landscape plans and shall be appropriate for the site's soil, drainage, sunlight, and environmental conditions. Drought-tolerant and low-water-use species are encouraged.

P30. Any monument signage proposed for the development shall be shown on the Final Landscape Plan. A separate sign permit shall be required for installation of monument signage.

P31. Critical area signage, fencing, and other protective measures shall be shown on the Final Landscape Plan and installed prior to final plat approval or issuance of the first certificate of occupancy within the applicable phase, as determined by the City.

P32. Prior to close-out of the TCC Permit, the applicant shall submit final as-built landscape and irrigation plans. The plans shall document all installed street trees, right-of-way landscaping, tree replacement plantings, open space landscaping, and other landscaped areas maintained by the Homeowners Association.

Open Space and Amenities

P33. Detailed plans for all recreational amenities, including parks, playgrounds, gathering areas, overlooks, interpretive features, furnishings, signage, and walking paths, shall be submitted with the Tree Cutting and Clearing (TCC) Permit and are subject to City review and approval. Walking path plans shall identify proposed alignment, surface materials, signage, tree protection measures, and any associated site furnishings.

P34. Final landscape and irrigation plans for all recreational areas and associated amenities shall be submitted with the TCC Permit and shall be substantially consistent with the approved Preliminary Landscape and Recreation Plan (Exhibit 3.a).

P35. All playground equipment and safety surfacing shall comply with applicable Consumer Product Safety Commission (CPSC) and Americans with Disabilities Act (ADA) standards. Playground facilities shall provide recreational opportunities for a variety of age groups consistent with the approved plans.

P36. The five (5) foot wide soft-surface walking path shall be constructed substantially consistent with the approved plans and shall consist of a gravel surface or better, as approved by the City. Final alignment, surface materials, and tree protection measures shall be reviewed through the TCC Permit process. The project arborist shall participate in final alignment of the walking path to minimize impacts to retained trees. Walking path surfaces shall be designed to accommodate anticipated pedestrian use and minimize long-term maintenance requirements.

P37. The Homeowners Association (HOA) shall be responsible for the maintenance, repair, and replacement of all recreational amenities, including parks, playgrounds, walking paths, gathering areas, landscaping, signage, and associated improvements. This responsibility includes maintaining the walking path in a safe and usable condition.

P38. Prior to approval of the first final plat, the applicant shall submit a final Open Space and Recreational Amenity Phasing Plan identifying the location, type, acreage, ownership, construction schedule, and maintenance responsibilities for all required open space and recreational amenities. The plan shall demonstrate compliance with the minimum open space and recreational amenity requirements of PMC Chapter 18.260 for the approved development.

Each phase submitted for final plat approval shall independently or cumulatively provide the open space and

recreational amenities necessary to serve that phase, consistent with the approved phasing plan. Any proposed modification to the location, type, or timing of required amenities shall be subject to City review and approval and shall not reduce the total required open space or recreational amenities.

P39. All recreational amenities associated with a phase of development shall be installed, inspected, and approved by the City prior to final plat approval of that phase, unless otherwise approved by the Planning and Economic Development Director. Any alternative timing approved by the Director shall identify a definite completion deadline and any required performance security, consistent with applicable City requirements.

Individual Home Identity

P40. Residential development shall substantially conform to the approved Individual Identity Plan and Home Designs and Individual Identity Plan Narrative (Exhibit 4). Compliance with the architectural variety requirements of PMC 18.260.060(E) shall be demonstrated with individual building permit applications.

P41. The applicant shall maintain a project-wide tracking plan identifying the home model, façade elevation, architectural style, primary exterior color scheme, and lot assignment for each dwelling. The tracking plan shall be submitted with building permit applications as necessary to demonstrate continued compliance with the approved Individual Identity Plan and PMC 18.260.060(E).

P42. Identical home elevations shall not be placed on consecutive lots. Mirror-image or reversed floor plans shall be considered the same building footprint for purposes of evaluating architectural variety. Corner lots and homes with elevations prominently visible from public or private streets shall incorporate architectural treatment on visible side and rear elevations consistent with the approved Individual Identity Plan.

Fences

P43. New perimeter fencing shall consist of a six (6) foot high sight-obscuring fence and shall be shown on the final landscape plan and construction drawings submitted with the TCC and Grading Permits. Fence design, materials, and location shall be subject to review and approval by the City. The City Arborist shall review the proposed fence alignment in relation to retained trees and may require modifications to fence location, tree protection measures, supplemental plantings, or other adjustments necessary to promote the long-term health and viability of retained trees. All perimeter fencing shall be installed prior to final plat approval of the applicable phase.

Critical Areas – Wetland and Riparian Management Zones

P44. The final plat shall clearly identify all critical area tracts, buffers, enhancement areas, habitat management areas, easements, and associated ownership and maintenance responsibilities.

P45. Prior to final plat approval, the applicant shall record notices to title pursuant to PMC 16.20.135 for all lots and tracts containing or affected by critical areas, critical area buffers, habitat management areas, and associated development setbacks. Recorded notices shall identify applicable restrictions and protection requirements and shall be reflected on the final plat.

P46. Critical areas, critical area buffers, habitat management areas, and associated building setbacks shall be clearly shown on all applicable construction drawings, final engineering plans, grading plans, and future building permit submittals.

P47. Prior to commencement of clearing, grading, or construction activities, all critical area boundaries, buffers, habitat management areas, and associated setbacks shall be field staked and protected with high-visibility construction fencing. Critical area protection signage shall be installed and maintained throughout construction. Fence and sign locations shall be shown on all applicable construction drawings.

P48. Any unauthorized disturbance of critical areas, buffers, habitat management areas, or associated setbacks shall require restoration in accordance with an approved restoration plan prepared by a qualified professional and subject to City review and approval. Additional mitigation and monitoring may be required as determined by the City.

P49. Final grading, roadway, utility, stormwater, retaining wall, landscape, and lot-development plans shall remain consistent with the approved critical area report, habitat management plan, approved addenda, and applicable peer review. Any modification that would increase impacts to a wetland, stream, riparian management zone, buffer, habitat management area, or associated setback shall require review by the Planning and Economic Development Department and may require supplemental critical area analysis, mitigation, peer review, and/or modification of the underlying approval.

P50. Lots 21-22, 51-57, 72, and 120-122 contain portions of the required building setback measured from wetland buffers and/or riparian management zones. The final plat shall include notice of this restriction and all future development on these lots shall comply with the required setback requirements.

a. The required setback shall be shown on all future site plans, lot development plans, building permit submittals, and other applicable development drawings.

b. Minor structural or impervious surface intrusions, including but not limited to fire escapes, open or uncovered porches, landings, walkways, stairways, retaining walls, fences, and patios, may be permitted within the

required setback if the PED Director determines, upon submittal of a critical area report, habitat management plan, or other approved critical area documentation, that such intrusions will not adversely impact the wetland buffer or riparian management zone.

c. Prior to final plat approval, a permanent demarcation method approved by the City shall be installed to identify the outer edge of the required setback area and notify future property owners of applicable restrictions. Such demarcation may include fencing, signage, monuments, landscape features, or similar permanent markers and shall be maintained by the HOA and/or individual property owners.

P51. Prior to approval of construction plans authorizing the Baywatch Court NE/NR-12 roadway connection and Stream C crossing, the applicant shall submit supplemental critical area and engineering documentation evaluating the final roadway alignment, crossing configuration, and associated improvements.

The documentation shall identify and quantify all temporary and permanent impacts to Stream C, its riparian management zone, associated wetlands and buffers, and other regulated critical areas. The analysis shall include hydraulic and hydrologic evaluations, stream-crossing design, geotechnical and structural analyses, stormwater and drainage considerations, utility crossings, and construction access and sequencing, as applicable.

The applicant shall demonstrate compliance with Chapter 16.20 PMC and all applicable City development regulations, including avoidance and minimization of critical area impacts, restoration, compensatory mitigation, monitoring, and long-term maintenance requirements.

The supplemental documentation shall be subject to City review and independent third-party peer review at the applicant's expense. All required federal, state, and local permits and approvals shall be obtained prior to construction of the crossing. Preliminary feasibility findings shall not constitute approval of the final crossing design, authorized critical area impacts, or required mitigation.

P52. Prior to approval of the Tree Cutting and Clearing Permit or other construction permit authorizing work within the affected critical areas or buffers, the applicant shall submit supplemental critical area documentation addressing the outstanding comments identified in the October 14, 2026, Grette Associates independent peer review (Exhibit 5.h).

The documentation shall demonstrate compliance with PMC 16.20.320(G) for the proposed utility crossing of Stream A and the stormwater outfall within the Stream D buffer. The documentation shall identify and quantify temporary and permanent impacts, evaluate avoidance and minimization measures, and provide restoration, mitigation, monitoring, and maintenance plans, as applicable.

The supplemental documentation shall be subject to City review and additional independent third-party peer review at the applicant's expense. All required mitigation and protection measures shall be incorporated into the final approved construction plans. No disturbance within the affected critical areas or buffers shall be authorized until the City has approved the applicable supplemental documentation and all necessary permits and approvals have been obtained.

Critical Areas - Geotechnical

P53. All recommendations contained within the approved geotechnical documents contained in Exhibit 6, including the Geotechnical Engineering Report, subsequent geotechnical addenda and supplemental analyses, City geotechnical peer reviews, and any additional geotechnical documentation approved through subsequent construction-level review shall be incorporated into final engineering, grading, utility, roadway, stormwater, retaining wall, and construction plans.

P54. Prior to issuance of a grading permit, the applicant shall submit final geotechnical plans and supporting documentation demonstrating compliance with all approved geotechnical recommendations. Final designs shall evaluate, at a minimum: global slope stability, wall embedment, lateral earth pressures, groundwater conditions, wall drainage and subdrainage, temporary excavation support, where necessary, construction sequencing, and long-term stability. All retaining walls shall be designed by licensed geotechnical and structural engineers consistent with the approved geotechnical reports.

P55. If final grading, utility, roadway, stormwater, retaining wall, or subdivision improvements differ materially from those evaluated in the approved geotechnical reports, the applicant shall provide a supplemental geotechnical evaluation prepared by the geotechnical engineer of record confirming that the conclusions and recommendations remain applicable.

P56. Prior to issuance of construction permits, the geotechnical engineer of record shall review the final grading, retaining wall, drainage, utility, and other geotechnical-related construction plans and provide written confirmation that the final engineering is consistent with the recommendations of the approved geotechnical reports. During construction, the geotechnical engineer of record shall provide observation and testing of grading, retaining wall construction, subgrade preparation, foundation excavation, drainage installation, backfill placement, and other work requiring geotechnical oversight. Prior to close-out of the grading permit, the geotechnical engineer of record shall submit written certification to the City confirming that site grading and construction activities requiring geotechnical oversight were completed in substantial conformance with the approved geotechnical recommendations.

Docusign Envelope ID: AB552BC6-FC22-81BB-83FC-95299ABDBB65

P57. Retaining walls exceeding four (4) feet in height, whether individual or cumulative, shall be designed by a Washington licensed professional engineer and reviewed by the geotechnical engineer of record. Final retaining wall plans shall demonstrate consistency with the approved geotechnical recommendations.

P58. Earthwork occurring between October 1 and May 1 shall require approval of the City Engineer and shall be supported by an erosion and sedimentation control plan prepared by a Washington licensed professional engineer.

P59. Prior to final plat approval, the applicant shall submit a Retaining Wall Ownership and Maintenance Plan identifying: ownership of each retaining wall, maintenance responsibility, walls supporting public infrastructure, walls located within HOA tracts, permanent maintenance and access easements, and inspection and repair responsibilities. The plan shall be reviewed and approved by the City Engineer.

P60. Retaining walls exceeding the maximum height established by City policy for public ownership shall not be dedicated to or accepted by the City. Such retaining walls shall remain under private or homeowners association ownership and maintenance. Permanent maintenance and access easements shall be recorded to provide reasonable access for inspection, maintenance, repair, reconstruction, and replacement.

P61. Retaining walls or other grade-separation features that present a pedestrian fall hazard shall be provided with fencing, guards, railings, or other fall-protection measures approved by the City. Final civil construction and retaining wall plans shall identify all locations where fall protection is required and shall provide details demonstrating compliance with applicable City standards, building code requirements, and pedestrian loading and safety requirements. Fall-protection improvements shall be installed prior to final acceptance of the associated improvements or final plat approval of the applicable phase, as determined by the City Engineer.

Critical Areas - Wellhead Protection Area

P62. Prior to issuance of a building permit for Lots 46-49, the applicant or property owner shall demonstrate compliance with Kitsap Public Health District requirements associated with the existing public water system well and applicable sanitary control radius. The final plat shall contain language approved by Kitsap Public Health District identifying the applicable development restriction. No building permit shall be issued for an affected lot until the City receives documentation from Kitsap Public Health District confirming that the applicable restriction has been resolved.

Final Plat

The face of the final plat shall include the following statement(s):

P63. The HOA shall own, maintain, and enforce all open space, recreation, amenity, landscape, critical area, and tree retention tracts within the subdivision.

P64. Trees located within open space, critical area, and tree retention tracts shall be maintained by the HOA. Tree removal, topping, major pruning, or other alterations shall require review and approval by the Planning and Economic Development Director and City Arborist, except where necessary to address an immediate hazard.

P65. Open space and amenity tracts are intended for the benefit of subdivision residents and shall be maintained by the HOA in accordance with approved plans and recorded CC&Rs. Trees retained to satisfy the requirements of PMC 18.180 shall not be removed without approval of the PED Director. Replacement planting may be required for any approved removal.

P66. Setbacks, lot coverage, building height, and other development standards shall be reviewed for compliance at the time of building permit application.

P67. No permanent structures, retaining walls, rockeries, or other improvements shall be constructed within utility easements unless specifically approved by the City and utility provider. Property owners shall be responsible for removal and replacement of any improvements or landscaping located within utility easements when access is required for utility installation, maintenance, repair, or replacement.

P68. Open space areas not improved with approved recreational amenities shall remain in a natural vegetated condition or be maintained in accordance with approved landscape plans. Removal of preserved vegetation or alteration of natural open space areas shall require review and approval by the PED Director and City Arborist, except where necessary to address public safety concerns.

Covenants, Conditions and Restrictions (CCRs)

P69. The CC&Rs document shall be provided with the final plat submittal. The City's review of the CC&Rs document does not mean the City will assume any responsibility for enforcing private covenants between the lot owners nor maintaining any roads or other amenities not specifically dedicated to the City on the public's behalf.

P70. CCRs shall include provisions that the HOA will own, maintain and enforce all open space, tree retention, landscaping, and amenity tracts.

P71. CCRs shall include provisions of how the HOA will manage street tree maintenance, including irrigation.

P72. CCRs shall include a provision that addresses recreational vehicle parking, which shall be reviewed by the PED

department prior to final plat approval and recording of plat documents.

P73. The City of Poulsbo will not join the HOA as enforcers of the project's CCRs.

Signed by:
Heather Wright
FAC69A034B784AD...

11/6/2026

Heather Wright, AICP
Planning and Economic Development Director

Date

Following are the Engineering Department's Conditions of Approval:

See Exhibit 1.a.

Following are the Public Works Department's Conditions of Approval:

See Exhibit 1.a.