**EXHIBIT 5.d:** Farralon/Grette Associates Peer Review (1/8/26)

# TECHNICAL MEMORANDUM

**TO:** Nikole Coleman, Planning Manager – City of Poulsbo

**FROM:** Chad Wallin, Project Biologist – Grette Associates, a division of Farallon Consulting, L.L.C.

**DATE:** January 8, 2026

**RE:** PINNACLE AT LIBERTY BAY
THIRD-PARTY CRITICAL AREAS REVIEW
FARALLON PN: 3386-002.001 TASK 3

## INTRODUCTION

The City of Poulsbo (City) contracted with Farallon Consulting, L.L.C. dba Grette Associates (Grette) to assist in the review of a critical areas report and habitat management plan (the "Plan"; dated July 14, 2025) that was prepared by Sewall Wetland Consulting, Inc. (SWC) in support of the Pinnacle at Liberty Bay development project located off of Maple Hill Ave. NE (Kitsap County parcels 23222601-4-001-2009, 23222601-3-001-2008, 23222601-3-018-2001, and 23222601-3-005-2006) within the City of Poulsbo.

In summary of the August 29, 2025, review[1] of the Plan, Grette determined that the Plan was not compliant with the current version of Chapter 16.20 of the Poulsbo Municipal Code (PMC) and recommended that the deficiencies identified be addressed and the Plan be revised accordingly.

SWC provided the City a critical areas report addendum[2] in response to Grette's August 2025 review. Provided below is a summary of Grette's August 2025 comments followed by Grette's response upon review of SWC's addendum. Please note that this review is limited to evaluating SWC's response to Grette's wetland comments with respect to compliance with Section 200 (Wetlands) of Chapter 16.20 of the PMC. Those comments associated with

[1] Grette Associates. 2025. Pinnacle at Liberty Bay: Third-Party Review. Prepared for the City of Poulsbo. Technical Memorandum. August 29, 2025.
[2] Sewall Wetland Consulting, Inc. Critical Areas Report Addendum – Pinnacle at Liberty Bay. Addressed to the City of Poulsbo Planning and Economic Development. November 19, 2025.

Section 300 (Fish and Wildlife Habitat Conservation Areas) of Chapter 16.20 of the PMC will be addressed under a sperate review.

- *Per PMC 16.20.220, all wetlands within 300 feet of a proposed project shall be identified. Grette identified one offsite feature that appears to have been evaluated and flagged by SWC; however, the Plan does not provide a discussion describing this feature and how or if this feature meets the definition of wetland per PMC 16.20155. While any buffer associated with this potential wetland area would not extend onto the project site, additional information should be provided to explain why this area was flagged and not discussed in the Plan for compliance with PMC 16.20.220.*

According to the description provided in the response, SWC did not flag any offsite features and notes that they are assuming Grette is referring to a small depressional area adjacent to Sunrise Ridge Rd./Maple Hill Ave. NE. This is the correct area in question. During Grette's site assessment purple flagging labeled alpha-numerically (i.e., X-1, X-2, etc.) was observed along this depressional area which was consistent with the onsite wetland flagging observed. As such, Grette provided comments in regard to compliance with PMC 16.20.155. Based on Grette's observations, this area exhibited wetland characteristics and determined it was likely unintentionally created as a result of the construction of the road or was intentionally created to manage stormwater runoff associated with the road. Per PMC 16.20.155, stormwater features and areas that exhibit wetland conditions unintentionally created as result of the construction of a road are not regulated features. No further action is necessary.

- *Per PMC 16.20.210, all wetlands shall be rated according to Ecology's Washington State Wetland Rating System for Western WA – 2014 Update: Version 2 (Hruby and Yahnke 2023). The Plan did not include complete figure sets as required per Ecology's rating system. Complete wetland rating figure sets, as defined in Ecology's rating system, should be provided for compliance with PMC 16.20.210.*

The addendum included an appropriate figure set to address this comment. No further action is necessary.

- *Per PMC 16.20.230, a point should be given to question H3 in Wetland C's rating form. Grette's site review included observations of snags and logs within 330 feet of the wetland. Including this additional point changes the overall habitat score from 5 points to 6 points.*

The updated rating form provided in the addendum for Wetland C was revised to include a point for snags and logs located within 330 feet of the wetland. The rating form was revised with an overall habitat score of 6 points. No further action is necessary.

- *Per PMC 16.20.230, Category III wetlands with a moderate habitat score (6-7 points)[3] with a proposed high impact land use are subject to a 150-foot buffer. Based on the revised habitat score, the appropriate buffer width for Wetland C is 150 feet. The Plan should be revised accordingly.*

The site plan provided in the addendum includes a 150-foot buffer for Wetland C; however, the site plan also contains a callout for a "148 feet of buffer take" adjacent to Lot 99. No further information regarding this additional buffer averaging was provided. The buffer averaging outlined in the Plan needs to be revised to address this additional buffer reduction area shown on the updated site plan.

- *Per PMC 16.20.230, buffer averaging may be allowed if it will improve the protection of the wetland or if it is the only way to allow for reasonable use of the property. The Plan does not provide sufficient detail to support why a reduction to Wetland A's buffer is necessary and prevents reasonable use of the project site to support the proposed alignment of the road and residential park. The Plan should be revised to include additional information to demonstrate there is no feasible alternative to reposition the access road and that reducing the park area would not provide feasible recreational use. Please note that based on one of the figures provided in the plan (Attachment 1), it appears that the standard buffer is being applied to all of Wetland A, which appears to show averaging is not necessary.*

The addendum provides a sufficient explanation describing that existing topography provides constraints with respect to road design requirements and the buffer modifications proposed within the northern portion of Wetland A's buffer. However, Grette does not concur with the rationale associated with the proposed buffer modifications that would occur to the western portion of the wetland buffer. The addendum states the intent of the proposed western buffer reduction is to make the park area flat. No other information is provided to show that this is necessary. As noted previously, the Plan included a site plan showing the project adhering to the standard wetland buffer in this location which appears to show averaging is not necessary

[3] Per Ecology's guidance (https://ecology.wa.gov/water-shorelines/wetlands/tools-resources/rating-systems), a habitat score of 5 points is considered to provide low habitat functions. The buffer tables defined in PMC 16.20.230 have not been updated to reflect this change. As such, this review is based on Ecology's guidance.

to create a suitable park area. As such, there appears to be a reasonable alternative to the site design that could be accomplished without buffer averaging and standard buffer can be applied.

- PMC 16.20.230 requires that the increased wetland buffer be in areas that provide higher *function compared to the proposed area to be reduced. The Plan describes that the reduced buffer area associated with Wetland A is primarily overgrown with blackberry but only states that the increased buffer area is more heavily vegetated. The Plan needs to be revised to further describe conditions for compliance with this requirement.*

The addendum includes additional detail regarding the existing conditions where the proposed buffer area will be expanded. Grette concurs with SWC that expanding wetland buffer to areas that predominantly consist of native trees and shrubs provides a higher quality of function compared to existing buffer areas that predominantly consist of invasive vegetation. No further action is necessary.

- *Per PMC 16.20.230, averaging may be allowed if it is the only way to allow for reasonable use of the property. According to the Plan, Wetland B's buffer needs to be reduced in three locations and states that it is necessary because of existing slopes and to better fit several lots. No further explanation to describe site constraints or rationale as to why there are no other design alternatives. The Plan needs to be revised accordingly.*

The addendum provides a sufficient summary to describe details regarding existing slope constraints and how those conditions require buffer averaging for the project to meet other design requirements. For example, existing topography would require steeper road grades than allowed under City requirements and would require supporting infrastructure (e.g., tall retaining walls) that is not feasible. No further action is necessary.

- *Per PMC 16.20.230, the increased buffer shall be in area that provides higher function compared to the proposed area to be reduced. The Plan describes that the reduced buffer area associated with Wetland B is primarily shrubs and that the increased area is primarily mature native vegetation but also states that the reduced area and the increased area provide similar function. Based on this summary, it is unclear that the increased buffer is in a high quality area compared to where the reduction is proposed. The Plan needs to be revised to further describe conditions for compliance with this requirement.*

The addendum's response to this comment concludes that the reduced buffer area and added buffer contain similar vegetation communities and that the intent is to add buffer past

the top of slope to improve habitat opportunities as the steep slopes may serve as a barrier to some habitat functions. Grette agrees that adding some complexity with respect to topography within the buffer has an opportunity to provide equal or greater function than those that currently exist. In addition, a large portion of the added buffer is adjacent to the primary access road. This would retain the existing native vegetation communities and would provide further buffer functions associated with the access road. In summary, Grette concurs that the proposed buffer averaging in this area has a balancing affect with respect to wetland protection. No further action is necessary.

- *Per PMC 16.20.235, pedestrian trails and trail-related facilities may be allowed in wetland buffers, pending approval, when it is sufficiently demonstrated that those features were designed in compliance with the project specific development standards defined in PMC 16.20.235. The Plan does not include any information to demonstrate compliance with PMC 16.20.235. As proposed, the trail alignment within the wetland buffers is not compliant with PMC16.20.230. Per PMC 16.20.230(F), trails shall be positioned in the outer 25 percent of a wetland buffer. The current alignment shows portions of the trail well within the inner 75 percent of the wetland buffer. The Plan should be revised accordingly.*

The addendum states that the proposed pedestrian trail was removed from project design. The updated site plan reflects those changes. As such, this comment has been adequately addressed.

In closing, the addendum has addressed most of Grette's August 2025 comments for compliance with Chapter 16.20 of the PMC; however, prior to the City's acceptance, Grette recommends that the comments summarized below be addressed.

- Per PMC 16.20.230, the total buffer area averaged shall equal the buffer area required without averaging. The updated site plan includes an additional buffer reduction area not previously shown on site plans. The Plan needs to be revised accordingly.

- Grette does not concur with the rationale associated with the proposed buffer modifications that would occur to the western portion of the wetland buffer. Per PMC 16.20.230, buffer averaging is allowed if it will improve wetland protection. The Plan included a site plan that showed the project adhering to the standard wetland buffer west of Wetland A. This appears to show averaging is not necessary to create a suitable park area and would best serve to protect the wetland by adhering to the standard buffer widths

defined in PMC 16.20.230. The addendum states the intent of the proposed western buffer reduction is to make the park are flat. No other information is provided to show that this is necessary. As such, there appears to be a reasonable alternative to the site design that could be accomplished without buffer averaging.

If you have any questions regarding this memorandum, please contact me at (253) 573-9300, or by email at chadw@gretteassociates.com.

Regards,



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